**EUROPE'S BUSINESS NEWSPAPER** 

Friday May 15 1987

# not work, Page 15

# Judge suspends **Barbie** trial

THE LYON trial of Klaus Barbie, charged with crimes against humanity, again broke up in disorder as his accusers disrupted proceed-

Passions ran high in the court and police attempted to arrest spec-tators who shouted "shame" after the judge suspended the hearing.
Barbie failed to appear in court,
having walked out of the court on Wednesday, claiming that there was no legal obligation to attend.

Jaffna attack 'plan'

Pressure is growing on Sri Lankan President Junius Jayawardene to abandon plans his Government is believed to have drawn up to try and capture the city of Jaffna, stronghold of Tamil separatist movement, in the north of the is-land. Page 4

#### Rebels kill 12

Tamil separatist guerrillas launched fresh attacks with mortar bombs, landmines and guns in the Buddhist holy week of Wesak in Sri Lanka killing 12 people in 24 hours, a government spokesman said.

#### Sihanouk steps down

Prince Norodom Sihanouk declared that he would step down for a year in disgust at the killing of his men by Khmer Rouge allies, depriving the anti-Vietnam Kampuchean guerrilla coalition he leads of its most prestigious figure.

#### Tax cuts promise

Britain's Chancellor of the Exchequer, Nigel Lawson, promised cuts in income tax, more privatisation and even wider share ownership as further opinion polls pointed to a large Conservative lead. Page 6

# Turkish amnesty vote

The Turkish parliament voted 310-56 in favour of a bill allowing such former political leaders as Su-leyman Demiral and Bulent Ecevit to return to political activity.

# Egypt cuts.links

gedly funded by Tehran.

#### **Bonnici in hospital** Malta's former Premier Carmelo

Mifsud Bonnici, beaten in Saturday's elections, is in hospital after suffering a heart attack. Malta's new Cabinet, Page 2

# US hostage video

The Beirut kidnappers of American academic Alann Steen issued a video of him, the first evidence in six weeks that he was still alive.

#### iran gets assets Iran said it had received \$451m in

assets frozen by the US, and handed over in compliance with the order of an international tribunal.

# Ethiopian relief

The International Committee of the Red Cross said it had received permission from the Ethiopian Government to resume some food aid dis-tribution in the troubled northern province, suspended last December.

# Pakistan bus bomb

A powerful bomb biamed by police on Aighan agents blew apart a bus, killing seven people in the north-western Pakistan town of Pesha-war, doctors said.

Aircraft damaged A Sudanese Hercules air transport its to £56.2m (\$93m). Page 24 aircraft sustained minor damage when it was hit by a shell fired by anti-government rebels as it flew over south-west Sudan, the Khar-

#### toum daily Aal-Ayam reported. Yamani move

Switzerland has given permission chant bank. Page 17 for former Saudi Oil Minister SEA Containers, the Bermuda-reg-Sheikh Ahmed Zaki Yamani to live istered container leasing, ports and in the alpine resort Crans-Montana. He owns several properties in the ter losses of \$12.9m or \$1.67 a share, country, where he has business in-down from the deficit a year earlier.

# Eurofer fails to agree cuts in output

No. 30,234

Eurofer, the "club" of major integrated European steel makers, said it could not agree on enough voluntary capacity cuts to meet European Commission demands.

The political backing of member states for further plant closures would be required if the Commission's objective of a 25m to 39m tonne reduction in annual capacity was to be achieved.

**DEUTSCHE Bank, West Germany's** largest, announced plans to raise nearly DM 1.2hn (\$670m) through a rights issue. It said operating profits in the first four months were down on the same period last year.

WALL STREET: At 3pm the Dow Jones industrial average was down 5.63 at 2,324.05. Page 40

TOKYO: Blue chips and stocks related to domestic demand led a rally which took the Nikkei average to a record high. The index closed up 288.25 at 24,651.44. Page 40

LONDON: Good company news and bullishness over Mrs Thatcher's prospects of electoral success sent equities into record territory. The FT-SE 190 index rose 16.6 to a record 2,180.0. The FT Ordinary index added 3.7 to close at 1,684.2. Page 49 DOLLAR closed in New York at DM 1.7810; SFr 1.4630; FFr 5.9485 and Y139.15. It fell in London to DM 1.7870 (DM 1.7900); to Y139.50 (Y139.70); to SFr 1.4690 (SFr 1.4710); and to FFr 5.9825 (FFr 5.97). On Bank of England figures the dol-lar's exchange rate index was un-changed at 100.1. Page 39

STERLING closed in New York at \$1.6805. It rose in London to \$1.6780 \$1.603. It to set in London to \$1.1700 (\$1.6715); to DM 2.9975 (DM 2.9925); to Y234.10 (Y233.50); to SFr 2.4650 (SFr 2.4600); and to FFr 10.0050 (FFr 9.98). The pound's exchange rate index rose 0.1 to 73.7. Page 39 GOLD fell to \$480.75 on the London bullion market (\$461.25). In Zurich it rose to \$461.00 (\$460.50). Page 38

PLESSEY, UK electronics group, won an A\$350m (\$ 250m) Australian Ministry of Defence contract for a tactical radio communications system. Page 6

Egypt is breaking off all relations FINANCIAL Corporation of Ameriwith Iran and has arrested 37 Mos- ca, the major US savings and loans stillity of a takeover by HF Hold-ings, a company formed by Mr Wil-liam Simon, a former US Treasury Secretary, and Mr Preston Martin, former Federal Reserve Board chairman. Page 18

AMSTERDAM'S stock exchange is energetically promoting trade in overseas stock in a bid to compete with London as Europe's share

dealing centre, Page 40 TRADING levels in UK bonds and shares fell back last month as renewed uncertainties over the dollar trimmed participation by overseas investors, Page 40

ACEC, the Belgian electrical and electronic engineering company, intends to reduce its 51 per cent stake in the Portuguese company EFA-CEC to 10 per cent by means of a public sale. Page 18

PHILIPPINES Government elected a majority of directors in food and consumer goods group San Miguel, removing the threat of a takeover by the company's management team. Page 19

NORTHERN IRELAND'S industrial investment recorded last year. rising 56 per cent to £311m (\$516m), says the region's industrial board.

SAATCHI & SAATCHI, world's largest advertising group, more than doubled interim taxable prof-

WEST Germany's largest management buy-cut, worth about DM 100m and involving the Europear machine tool division of Ex-Cell-O of the US has been completed by the Hamburg-based operation of J. Henry Schroder Wagg, the UK mer-

chant bank. Page 17 board member since 1972. Mr John Roche, chief operating officer at Kidder, has also resigned, to be replaced by Mr Max Chapman, the chairman of Kidder's broker dealer istered container leasing, ports and ferries group, announced first quar-

# Britain lines up with US over arms negotiations

BY ROBERT MAUTHNER IN LONDON AND DAVID BUCHAN IN STAVANGER

THE BRITISH Government yesterday made it clear for the first time that it was prepared, in principle, to accept the so-called "double-zero option" proposed by Mr Mikhail Gorbachev, the Soviet leader, under which all categories of medium-range nuclear missiles would be eli-

minated from Europe.
A statement issued by the Foreign Office effectively put an end to several weeks of speculation about Britain's stand on Mr Gorbachev's proposal, tabled during the visit of Mr George Shultz, the US Secre-tary of State, to Moscow last month.

The Soviet leader, in a surprise move, suggested on that occasion that an agreement on the abolition of Intermediate Range Nuclear Forces (INF) in Europe should cover not only long-range weapons in this category — 1,000km to 5,000 km — but also shorter 500 km to 1,000 km range missiles.

Meanwhile, Mr George Younger, the British Defence Secretary, said yesterday that Britain might offer itself as a base for submarinelaunched US cruise missiles and more US nuclear armed aircraft, as beloing to compensate Nato for losing medium-range ground-based missiles in an arms control deal

Speaking in Stavanger, where he was attending, a meeting of Nato Defence Ministers, Mr Younger said, however, that such compensa-

the end of next week. They have al-

so had their normal visa exemp-tions as UK passport holders lifted.

In future they will have to obtain vi-sas to enter the country.

veteran, professional reporters of

African affairs. Mr Buerk is the

Seven other journalists have

been expelled over the past 18 months during which the press has

been attacked frequently by President P. W. Botha and other senior

officials for allegedly fomenting the unrest which has killed more than

2,500 people over the past three

products group, yesterday stepped

in to take management control of Kidder Peabody, its investment banking subsidiary which has been

Mr DeNunzio, 55, is to be re-

placed by Mr Silas Cathcart, a GE

bank for its financial services group jor subsidiar. :s. last summer, announced that Mr They've more

winner of 13 international awards.

BY ANTHONY ROBINSON IN JOHANNESBURG

Buerk of BBC-TV and Mr Peter ernment intends to end indepen-

Sharp of ITN, to leave the country dent coverage of the South African when their work permits expire at social conflict because it believes

GENERAL ELECTRIC (GE), the subsidiary, who had widely been hig US consumer and industrial seen as Mr DeNunzio's likely sucproducts group, yesterday stepped cessor before the scandal broke.

banking subsidiary which has been badly tarnished by the Wall Street insider-trading scandal.

GE, which spent more than sequiring about 80 per cent of the blue-chip investment ferred its own people running materials and subsidiars as

Ralph DeNunzio, chief executive of normally would because Kidder is Kidder for 20 years, was stepping tainted by the insider trading scan-

Before yesterday's clarification of

Though the official Nato position, procedures. fully backed by its European memagreement involving the elimina-tion from Europe of Soviet SS-20s, US Pershing 2 and ground-launched cruise missiles must in-

The European Nato countries, with West Germany and France in the vanguard and the less vociferous backing of the British government, have constantly pointed out that the elimination of all mediumrange nuclear weapons from Eu-rope would make them much more nerable to attack by the Warsaw Pact's more numerous conventional

It was also argued in Bonn, Paris

South Africa expels two

**UK** television reporters

that secrecy will help it win."

The latest expulsion notices come

a week after elections in which

more than 80 per cent of white vo-ters endorsed apartheid and emer-

Both men, whose work is familiar gency restrictions which include the court's ruling by simply anto millions of television viewers, are tight media curbs on coverage of se-

The two men have no right of ap-peal against the decision by the Minister of Home Affairs, which al-

In private, however, both were

told by senior officials that their

coverage provoked anger at the

highest levels of government and broke censorship regulations.

ociation last night accused the coverage of campus riots at the Uni- emic and editor of the S.A. Labour

Two other GE officials have been

named to senior positions at the

They've mored faster than they

dal, said Mr Perrin Long, an ana-

Mr Martin Siegel, a former merg-

lyst at Lipper Analytical services.

medium-sized investment firm.

Government of having "resumed an versity of Cape Town and police op- Bulletin to leave within 30 days.

GE takes control at Peabody

statements" and violent protest.

so requires no explanation.

curity force action, "subversive it

decided after the superpowers had agreed a deal on medium and shorter range missiles in Europe. Only then could Nato decide what gaps such a deal might create in its flexities. ble response strategy and how to use of "holocaust" strategic nuclear fill them.

Significantly, the Foreign Office London's position on Mr Gorba-chev's offer, which aligns British policy with that of the US Adminis-ment to the "double zero option". It tration, it was generally assumed stressed that the conditions of such that Mrs Thatcher's Government an agreement must "adequately was fundamentally hostile to com- safeguard western security, which pletely abolishing shorter-range means, above all, that it must pro-INF weapons in Europe. means, above all, that it must pro-vide for watertight verification

The statement also emphasised bers, has always been that any INF that a zero/zero solution was only one of several options that could be chosen by the alliance. The Nato requirement that an INF agreement should contain constraints on shorchide "constraints" on shorter- ter-range weapons could also be range weapons, it stopped short of met by the establishment for these calling for their abolition. levels down to zero".

However, such a solution, which would involve the deployment of new shorter-range weapons in Nato countries, currently deprived of missiles in the 500km to 1,000km class, has so far been rejected by Mr Gorbachev. It is also plain that, by putting it on the record that it is prepared to accept a double-zero so-lution, the British Government is in effect stating its preference.

Lawyers for both television com-

panies rejected allegations that they had broken the law, basing

their argument on a recent Natal

court ruling which lifted many of

The police, however, reacted to

The decision not formally to ex-

pel the two men but merely refuse

to prolong their work permits means that they will be forced to

leave the country without having an

opportunity to defend the legality of

It also appears to be part of a gen-

eral post-election crackdown. Earli-

er this week, the Government told

Mr Timothy Tabor and Mr Richard Wigton, with making "millions of dollars in illegal profits" for the

Kidder itself has not been indict-

ment with the Securities & Ex-

Mr DeNunzio, 55, was a succes

ful chairman of the New York Stock

Exchange in the early 1970s. He

presided over the negotiations with

the firm's own caution threatened Kidder with being left behind simi-

He remains chairman of Kidder

Mr Cathcart, 61, is a former chair

Insider dealing, Page 3

man of Illinois Tool and has served

on several corporate boards.

change Commission.

Morgan Stanley.

their coverage in the courts.

The last straw was their recent Dr Jon Lewis, a British-born acad-

Analysts said yesterday that GE, held negotiations over a civil settle-

the emergency restrictions.

# BAPERATRIZ

A MAJOR scandal has erupted in try's underpopulated central region with ports in the mouth of the

The new row came when a Sao

Not only was the advertisment published long before the final deci-sion was due to be taken, but it was

The scandal, reminiscent of alleged murky dealings behind several grandiose federal projects during Brazil's 21-year military dictatorship, has added to the problems of President José Sarrey's politically enfeched Grandward enfeebled Government.

railway project as an essential step for opening up the country. Critics, however, argue that the scheme is "Pharonic," a "railway from no-where to nowhere" and an expen-THE SOUTH AFRICAN Government yesterday ordered two British television reporters, Mr Michael "There is every sign that the Gov-

nated headlines even before the new revelations. But it was only this week, after the declaration of the contract winners came from the Ministry of Transport and Valec, the state company supervising the project, that an investigative repor-ter spotted they coincided exactly with the coded advertisement buried in the previous week's classifi-

The Folha de Sao Paulo newspa-Continued on Page 16



# **Brazilian** railway scandal revealed

Brazil over contract tendering for the already controversial \$2.4bn North-South railway, planned by the Government to link the coun-

Paulo newspaper revealed on Wed-nesday that winners of contracts to build 18 stretches of track had been covertly announced in a coded advertisement in its pages five days

also ready for the newspaper presses even before the sealed envelopes containing the tenders were due to be opened.

Mr Sarney is personally strongly committed to the so-called grain

# **Bonn dashes** hopes of early tax cuts MR GERHARD STOLTENBERG, planned to come into effect in Januthe West German Finance Minister, ary 1988. These extra tax cuts, deviced in February, will be in additionally and the statement of th

stimulate his country's economy, raised just a day before at a meeting of international policymakers in

At a press conference to spell out tax cut in 1990, Mr Stottenberg said the Finance Ministry's latest positive centre-right coalition Governtion on the federal budget, Mr Stoltenberg said West Germany had al-ready gone to the "utmost limit" of its ability to boost growth prospects add up to nearly DM 50bn or about

through tax policy.
Mr Stoltenberg showed some irritation at continued suggestions from abroad, raised above all by the at the Organisation for Economic Co-operation and Development in ging German growth.

Pointing out that the federal budget deficit would rise next year to almost DM 30bn (\$16.7bn) from DM 26bn originally planned last year, Mr Stoltenberg said calls from "friendly countries" for a more expansive budget policy were unjusti- to want to take action, they would

His remarks came after the West German Government, represented in Paris by Mr Martin Bangemann, the Economics Minister, hinted it would bring forward large tax cuts planned for 1990 if this year's growth outlook became seriously

Mr Stoltenberg, however, scotched any idea of action to bring forward DM 5bn of extra tax cuts

tion to DM 9bn of tax reductions already due to take effect in the new

ment was now bringing in tax cuts 2.5 per cent of gross national prod-

He termed this "quite exceptional" in comparison with tax cutting US at this week's ministerial talks efforts by other industrialised na-

The West German Government Paris, for measures to boost flag- has revised down its forecast for economic growth this year to just under 2 per cent compared with the official forecast in January of 2.5

> However, senior officials say in private that, even if they were sufficiently worried about the slowdown not know what to do.

Pointing out that the budget deficit was already expanding because of lower tax revenues, and that the Bundesbank the West German central bank, was continuing to cut German interest rates despite above-target monetary expansion, one senior official asked rhetorically yesterday: "What should we do?"

Continued on Page 16

# UK moves to limit rise of sterling

BY PHILIP STEPHENS AND JANET BUSH IN LONDON

weakening in the pound's value as large as on some occasions in reagainst other major currencies.

The suggestion, which came with The Bulletin provides an upbeat

Sterling strengthened yesterday in response to two new opinion by 7 per cent against the currencies polls showing Prime Minister Marof Britain's major trading partners, garet Thatcher's Conservatives well in the lead over opposition parties at the beginning of Britain's general election campaign and in re-sponse to a weaker dollar.

The Bank was reported to have

THE BANK of England hinted yes- intervened ostentatiously several terday that sterling is now at the times in European trading as the very top of the band considered acceptable by the authorities and that level. It appeared, however, that the it would welcome some modest amounts of sterling sold were not

the publication of the Bank's latest assessment of Britain's short-term Quarterly Bulletin, coincided with economic prospects but makes clear renewed official intervention on that the authorities want to preforeign exchange markets to offset, serve the boost to industrial comstill-rising overseas demand for the petitiveness flowing from last year's devaluation of the pound.

Sterling has risen since February eroding perhaps half of the compet-

Continued on Page 16 Bank of England report, Page 8; money markets, Page 29

1. Busi	ness	grow	ing?	
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2. Market share increasing? □

3. Profits soaring?

4. Chief Exec's office in cupboard under stairs?  $\Box$ 

Your corporate plan said you would achieve the first three but what about number four? Are your office accommodation requirements as well

planned as the rest of your business? - Do you have a medium (...or short) term strategy? We can work with you to put accommodation into your business planning.

Our service is called the Office Strategy Review. Please send for more details including a few questions we think you should be asking yourself.

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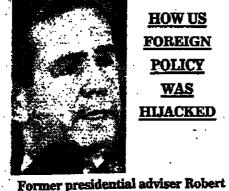
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**HOW US FOREIGN** POLICY WAS

HIJACKED

McFarlane's testimony to the Iran Contra hearings has been a revelation.

Airbus: finance begins to roll in ..... 2 Shipbuilding: battle to build the world's biggest icebreaker ...... 5 World gas industry: Algeria yields to pressure on pricing ...... 10 Technology: textile industry enters the jet age ...... 11 Editorial comment: setback in the Punjab; gearing up for housing ...... 14 Lex: Shell; BP; Grand Metropolitan;

Survey: Andalucia ...... Section III

Barbie trial breaks

up in disorder

for second day

BY GEORGE GRAHAM IN LYONS

courtroom have had to be suspended.

taken back to his prison cell. Yesterday, with the former Gestape captain still refusing to appear before the court, it was

# Nato military leaders press for new nuclear arms

NATO WILL need new nuclear weapons to offset the decline in its deterrent from the possible loss of its medium range missiles in an agreement with the Soviet Union, top alliance military commanders told defence ministers yesterday.

The possibility that the much heralded European missiles in an agreement missiles in an agreement with defence ministers yesterday.

The possibility that the much heralded European missile accord with Moscow might.

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The possibility in a range of between tions of accepting the double accord that with double to this week's meeting.

The Not was too explicit about the military implication with double to this week's meeting.

Nature the possibility that the much accord with Moscow might accorded by the West of the with the double warheads are controlled by the US.

The third partner in what the was too explicit about the military implications of accepting the double warheads are controlled by the US.

Mr Manfred Woerner, the West German air force, but whose warheads are controlled by the US.

The third partner in what heralded European missile accord with Moscow might

ing in Stavanger.

Talk of Nato equipping itself with modernised short range missiles and air or sea-launched ernise missiles dominated ministerial discussion of what the alliance should do if it agreed

accord with Moscow might bring no marked net reduction in nuclear weaponry in Western Europe emerged quickly yester-day at the start of Nato's they were pointedly not asked by ministers for their view on whether Mr Mithail Corpsphere:

Inclear forces (SKINF of 500 Statesy.

Growing support for the Nato military commanders did not give a flat thumbs down to the double zero proposal—billateral meetings between the US, West Germany and British by ministers for their view on whether Mr Mithail Corpsphere: important as the planary dis-

be circumvented by the West. This would hold up negoti-ations, Mr Holst warned. As a result, Mr Caspar Wein-

berger merely detailed various options for nuclear modernisathey were pointedly not asked by ministers for their view on whether Mr Mikhail Gorbachev's important as the plenary disconfer should be accepted. Instead, General Bernard Rogers, the supreme Nato commander who retires next month, and General Wolfgang Altenberg, chairman of the Nato Military Committee, arms control agreement was options for nuclear modernisation, such as increasing the extent as increasing the extent as increasing the extent at range of the existing lance missile from 120 km to 240 km, from Stavanger, able to argue missile from 120 km to 240 km, from Stavanger, able to argue or building a new Lance of inside the Bonn coalition that endorsing any particular one. Nato military backing for his view that Bonn should hang on the Nato Military Committee, arms control agreement was negotiations of the 72 Pershing its short range nuclear weapong its nuclear range of the existing the range of the existing

and the key player in this week's NPG debate because of his country's front line position, strongly stressed the need to retain flexible response, or the ability to match any level of Soviet threat with an appropri-ate response.

The third partner in what looks increasingly like a tripartite pact of defence ministers is Mr George Younger of the UK, who yesterday held separate talks with both Mr Weinberger and Mr Woerner. The UK looks likely to follow what Bonn and Washington agree on. If that involves new nuclear weaponry, UK officials point out that the Thatcher Government would be in a stronger position to join West Germany in accepting new or additional systems if it wins a third term on June 11. They do not even flatly rule out basing B-52 bombers with cruise missiles in the UK; air and sea launched systems are not covered by the LRINF/SRINF negotiations.

THE ITALIAN Government may in future use overseas bor-rowings to finance a larger share of its huge deficit following the latest moves to liberalise

Although the deficit, at 14.3 per cent of gross domestic product, is one of the highest, Italy's current foreign debt— \$40bn out of a total govern-ment indebtedness of around

While these include an increase from Li.6m to L2.1m in the currency which Italians can take on each foreign trip and the removal of restrictions on the use of credit cards abroad,

flows generated by the freedom to purchase foreign shares and bonds. The Bank of Italy believes that some restructuring of investment portfolios has al-ready been taking place in ex-pectation of the freedom which the European Commission had

According to the Bank of

The impact of the measures on the Milan bourse is difficult to predict. Professor Mario Monti of the Bocconi Univer-sity in Milan believes that the stock exchange, whose capitali-sation is now four times greater The aircraft will now fly with the Franco-US CFM56-5-S3 claims to have pioneered, with engine, an improved version of the engine of the A320.

The decision of the UK Government to provide £450m and more than twice as many contact and account of the market captured by its A300 and more than twice as many contact as any other many. than it was three years ago, has been overbought because investment funds could not find a reasonable outlet abroad.

A go-shead with the A320 and A330 would ensure Airbus had alreraft to attack the domination by the US manufacturers in the remaining category for the biggest, longest range airliners.

# Italy may borrow more abroad

By John Wyles in Rome

its foreign exchange regime.

L793,000bn (\$612bn)—is one of the smallest in Western

Europe. Officials now believe that more foreign borrowing may have to be used to finance the government deficit to counter-balance capital outflows which have been freed by the latest measures.

will now have to employ. This was the conclusion being drawn yesterday by economists

and businessmen wito broadly welcomed the very determined step towards Bheralisation

December 19. Although some foreign ex-

former Bolivian THE TRIAL of Mr Klaus Barbie chez, the former Bolivian broke up yesterday in disorder, interior Minister responsible the second time in two days for the expulsion of Mr Barbic that hearings in the Lyons from La Paz in 1983. On Wednesday it was Mr Barbie himself who caused the suspension by demanding to be

from La Paz in 1983.

Judge Cerdini had been visibly annoyed by Mr Nordmann's fallure to ask the witness direct questions. When the tail and vulturine lawyer refused to shut up the judge suspended the court sittings.

Police tried to arrest spectators who greeted the judge's decision with cries of "Shame," but failed to identify the culprits.

his occusers who were responsible for the disruption. the culprits.

The court is now faced with the difficult task of bringing the trial back from the circus event it has become into more usual legal channels. Lawyers Judge Andre Cerdini, president of the court, has tried hard dent of the court, has tried hard to keep control of the proceedings, in which Mr Barble is charged with crimes against humanity including the torture, deportation and murder of Jews and members of the French Resistance. in Lyons have expressed doubts about the wisdom of allowing television cameras into the first session of the trial, and feel the extent to which the prosecution witnesses have already aired their evidence in the Press and in books has com-

French Resistance.
But passions are running high among the spectators and the civil plaintiffs who have joined the prosecution, many of whom claim to have been tortured by Mr Barbie in person.
Mr Jacques Verges, Mr Barbie's defence lawyer, has skilfully exploited every lapse into unsupported rhetoric by the 40 lawyers representing the plaintiffs. omised the judicial proceedings.
Mr Barbie's refusal to leave his prison is permitted under French law and will not prevent the trial from going ahead, but it has enraged the plaintiffs' lawyers, who behaved Yesterday he succeeded in pesterday as though they had been robbed of their prey. "It shows once again the contempt in which the Nazi provoking a tirade from Mr Joe ciation of former deportees, who had been robbed by the prisoner's absence of his chance to score theatrical points in France as a whole," said Mr questioning Mr Gustavo San-Nordmann.

# **Community budget** goes into the red

BY QUENTIN PEEL IN LUXEMBOURG

THE EUROPEAN Commission yesterday revealed a financing shortfall of more than Ecu 10bn (27bn) in its spending needs for 1987 and 1988, or rather more than a quarter of its annual budget.

Nordmann, lawyer for the asso-

Mr Henning Christophersen, the Budget Commissioner, also announced that the EC budget
—two-thirds of which goes on
farm spending—moved into the
red five days ago and will
remain in overall deficit until

which was taken on Tuesday

No one seemed prepared yesterday to offer a reliable estimate of the likely capital outthe form of overdraft facilities

to the facilities form of the excess farm in their central banks, the spending of Ecu 3.9bn this year Commission says.

> liament yesterday. Forecast spending next year totals repaying member states their Ecu 39.7bn (£27.8bn), against farm spending in arrears incomparable spending this year stead of in advance, providing of Ecu 37.8bn—an increase of Ecu 2.8bn. just 5 per cent, according to the

Mr Christophersen insisted in EC financial resources than to any excessive increase in

of revenue due to Brussels from customs duties and agricultural levies, and a rapidly increasing sum owed to Britain from its budget contributions. That UK budget rebate is set to rise from Ecu 1.6hn this year, to Ecu 2.5bn in 1988 Mr Christophersen said. However, there is no disguising the continuing increase in farm spending—moved into the red five days ago and will remain in overall deficit until a solution is found.

The 12 member states are being asked to cover an immediate shortfall of some Ecu 25.78bn by the end of the year and Ecu 27.05bn next year. The major factor has been the Ecu 4.3bn, with a combination of delayed payments and a resulting increase in farm spending, forecast to rise from the Ecu 22.9bn written into the 1987 budget to Ecu 25.78bn by the end of the year and Ecu 27.05bn next year. The major factor has been the continuing increase in farm spending, forecast to rise from the Ecu 22.9bn written into the 1987 budget to Ecu 25.78bn by the end of the year and Ecu 27.05bn next year. The major factor has been the continuing increase in farm spending, forecast to rise from the Ecu 22.9bn written into the 1987 budget to Ecu 25.78bn by the end of the year and Ecu 27.05bn next year. The major factor has been the into the

Key elements in the budget

Countission says.

Could be found from savings

In 1988 the budget gap will proposed in the current farm reach Ecu 5.75bn, unless the price package—although half member states can decide on a the amount is supposed to permanent new financing come from an oil and fats tax system to fill it, according to currently blocked by five system to fill it, according to currently blocked by five the preliminary draft budget countries. The rest of the published at the European Par-excess spending should be met by a once-off accounting change

That simply delays paying for the increased farm spending until 1988 and requires member that the budget was cautious states to borrow the two and realistic, and that the gap months' cash on their own was due far more to a shortfall account instead—which is likely account instead—which is likely to be a major problem for countries like Ireland with already large budget deficits.

# Portuguese private radio stations left in mid-air

BY DIANA SMITH IN LISBON

stations, fell into abeyance this week because the outgoing minority Social Democrat Government failed to produce detailed regulations within the 60-day deadline after the bill

was approved by the parliamentary opposition.

This means that after the July general election a new broadcasting bill must be drawn up, and that dozens of private estates. private stations that have cocupied the air waves in the past few years will have to wait to learn whether they will re-

to learn whether they will receive licences.

The bill became the focus of bitter controversy when its sponsors, the Socialists and Democratic Renewal Party, decided that the two existing networks, the state-owned RDP

PORTUGAL'S draft broadcast and Roman Catholic Radio PORTUGAL'S draft broadcasting bill that was supposed to open the doors to private radio stations, fell into abeyance this week because the outgoing minority Social Democrat Democrat Social Democrat Democrat Social Democrat the new frequencies and pro-tested angrily at being told to relinquish them.

President Mario Soares vetted the bill, stating that the way to admit new stations was not to deprive existing ones of their frequencies. Parliament, however, with the minority Government opposing the bill, simply naced in simply passed it again. The Government then had 60 days to draw up the rules whether it liked the bill or not.

The outgoing Government claims it had not yet finished technical studies required before it set up the rules for broadcasting.

# EC to fund student exchanges

EUROPEAN COMMUNITY education ministers agreed yesterday to spend Ecu 85m (£59m) over the next three years on promoting student exchanges between member states. The money—less than half what the European Commission would have liked to allocate to the scheme—will be used to finance the establisment of suitable courses and to pay the travel grants of successful applicants.

The so-called Erasmus programme has generated con-siderable political heat over the past year, with Britain, France and West Germany determined to reduce the size of the Commission's proposed

The Commission was so exasperated by the squab-bling that it withdrew the plan temporarily last Novem-ber before putting it back on the agenda this year.

Community officials esti-mated last night that the agreed scheme could ulti-mately encourage cross-border study for up to 5 per cent of the estimated 6m students in the EC. Due to the protracted negotiations only Ecu 10m have been earmarked for the academic year starting in September but the programme is expected to pick up thereafter.

All recognised higher edu-cation establishments will be able to offer courses, but they will require Community approval before students qualify for the financial

THE UK Government has become the first to offer launch aid for the A330 and A340 new generation of Airbus airliners.

Airbus for several months has been seeking evidence that its four partner companies were

willing to provide about \$2.5bn

in development costs for the two aircraft. The aerospace

companies themselves will have to fund production facilities

and long lead items for the

vide £550m of its own money to help with the launch costs

and for production facilities to

make wings.

Airbus Industrie comprises: Aerospatiale of France and

Messerschmidt Bolkow Blöhm (through Deutsche Airbus of

West Germany), each with a 37.9 per cent share; British Aerospace, with a 20 per cent stake; and CASA of Spain, with

The Deutsche Airbus is seeking DM 7bn (£2.35bn) in cash

from the Bonn Government to

cover subsidies for the two pro-

jects, as well as funds to clean up financial burdens incurred

under the A300 and A310 programmes. It took out government-guaranteed bank loans to

cover part of its spending on

theses earlier programmes.
The loans can no longer be

repaid because the rise in the

a 4.2 per cent stake.

British Aerospace will pro-

# Tougher line on French student entry urged

FRENCH universities will be forced to be more selective in their admission procedures if they are not to be overwhelmed by a fresh influx of students in the coming years, according to a major report on the country's higher education system published yesterday.

The report by the newiv
wing sympathiser, paints a end of the second year — and two-year training geared to most take three years to working life, and more specificable. The committee destination posed by the number of dropout " as of students more than doubling unacceptable.

In contrast to conditions at undergraduate level, the combinate over the past 20 years to over the p The report by the newlyestablished university evaluation committee is the first high-

stiffen selection procedures, tion and where raise student fees and make are concentrated. the universities more autono-

BY OUR PARIS CORRESPONDENT

privatisation programme was the CGE privatisation, the revealed by a study published government revenue from the yesterday, which shows that one in four households will be FFr 30bn (£3bn).

THE DRAMATIC increase in

shareholders in privatised com-

Entry to university in France education.

Mr Laurent Schwartz, president baccalaureat.
of the committee and a former Only 40 per

share ownership in France as a Balladur, Minister of Finance, tourist group.
result of the Government's disclosed yesterday that with Paul Betts reports: Inflation

Bonn and Paris have yet to declare their hands, writes Lynton McLain

UK cash pledge gives Airbus projects a lift

The projected Airbus A-349 long-distance airliner

latter with four for intercon-

The French Government has

already started to receive repayments on the money it put up for the A300 and A310

sircraft, and expects to recoup fully the FFr 5bn it put into the recently launched A-320. Airbus Industrie is convinced

that the French and West Ger-

man decisions on funding will

customers for the A330 or A340 Industry Secretary, is likely to as a result of the decision by have more immediate impact as IAE to postpone, and effectively cancel, the SuperFan advanced a UK general election was

tinental flights.

believed to be within a few days A340. The two aircraft are to

of wrapping up the finance it have a common wing, the is prepared to make available, former with two engines, the France has always believed latter with four for intercon-

Share ownership set to rise by 40% soon

FFr 30bn (£3bn).

AFEC says that, up to now, cent in March and 0.2 per cent 3m households or 5m people in February.

This brings the French

by successive ministers of

is open to any student passing Mr Schwartz is even more government plans to take no the school-leaving exam, the blunt in his preface, arguing real action on the universities for a two-tier system of post-

in France picked up again last month with the consumer price index rising by 0.5 per cent

1,000 (£100) annual student fee

lished yesterday.

The report by the newly-established university evaluation committee is the first highlevel attempt to assess the current state of French universities and their ability to cope with the huge planned expansion of student numbers up to the year 2000.

It comes in the wake of the number of the occurs in the first two years of undergraduate education at the end of last year in protest at the Government's attempt to stiffen selection procedures, raise student fees and make are concentrated.

have grown, expenditure per students asys that the quality of research in French universities is "good" and comparable with other major industrialised countries.

At a press conference, he also said that French universities in the first two years of undergraduate education—be premier cycle—and the first two years of undergraduate education—in planning will be necessary to the expansion of student of the current level of about FFr 400.

At a press conference, he also said that French universities in good" and comparable with other major industrialised countries.

In terms of reforms, they believe that a thorough restructuring of the initial two years of undergraduate education—be premier cycle—and the first two years of undergraduate education—be premier cycle—and the first two years of undergraduate education—be premier cycle—and the first two years of undergraduate education—be premier cycle—and the first two years of undergraduate education—before France can contemplate the expansion of student of the current level of about FFr 400.

At a press conference, he also said that French universities in good " and comparable with other major industrialised countries.

The committee highlights the huge planned expansion of the initial two personned that the quality of research in French universities.

In terms of reforms, they believe that a thorough restructuring of the initial two personned to the premier cycle—and the premier cycle—and the premier cycle—and the premier cycle—and the premier cycle and the problems Student organisations have already expressed their displeasure with the report. The

of the committee and a former Only 40 per cent of students secondary education—vocation—are out of the way in May next Nobel prize winner and left- get through the diploma at the ally-oriented colleges providing year.

per cent this year compared with 2.1 per cent last year.

ged its feet and was the last to decide, eventually providing

The four-engine A340 long-range intercontinental airliner

is designed to compete with the

It already competes successfully with US manufacturers in

the most buoyant and highest volume markets, for single sisle and twin-sisle airliners.

the use of credit cards abroad, the main measure is the abandonment of a 15 per cent non-interest bearing deposit which had to be lodged witht les Bank of Italy on the private purchases of all foreign securities.

The liberalisation puts Italy in the European "mainstream" not just in terms of its financial regulations, but also in monetary policy and public financing techniques which it will now have to employ. At the same time, Mr Edouard and Havas, the advertising and of price controls in France. Although the French Finance and Economy Minisrmance and Economy amini-try expects inflation to slow in the second half of this year, most private forecasters sug-gest an inflation rate of 3.5-4

shareholders in privatised companies by the end of the year.

The study published by the French association of financial institutions (AFEC) estimates that by the end of the year, bought shares to bought shares before the privatised to programme.

AFEC says that, up to now, cent in March and 0.2 per cent this year compared in February.

This brings the French Government also emphasises that the infiation rate to 3.4 per cent thousever, the poor April tion rate differential between figure, which is not as bad as pour the 0.9 per cent increase in tised by the end of the year are January, was expected because the privatisation programme.

The study published by the financial have bought shares in privatised in February.

But the French Government also emphasises that the infiation rate to 3.4 per cent lion rate differential between figure, which is not as bad as the figure, which is not as bad as france and West Germany, its main trading partner, has been to have shares before the privatisation programme.

The study published by the end of the year.

This brings the French Government annual inflation rate to 3.4 per cent lion rate differential between figure, which is not as bad as france and West Germany, its main trading partner, has been to share a supplied of the privatised by the end of the year are figure, which is not as bad as france and West Germany.

insisted must be introduced by

when British Aerospace was touting for launch aid for the twin-engine A320, which first flew earlier this year with more advance orders before a first flight than any previous aircraft, the UK Government dragged its fast and was the last to change prohibitions remain, notably on the opening of foreign bank accounts, the latest move is likely to make the lira more susceptible to The result is that Italian interest rates may be more volatile than in the past—the central bank's discount rate has only been moved once in the past 12 months.

Boeing 747 jumbo jet and the McDonnell Douglas MD11, an updated version of the DC-10. The A330 twin-engine airliner According to the Bank of Italy, its currency intervention policy will also be more flexible. "We shall not be moving in defence of a second decimal point," said an official yesterday. The implication is that the lira will swing more freely within its permitted 6 per cent margin above or below its EMS central rate.

The impact of the measures is intended to compete with medium range, twin-aisle air-liners like the Boeing 767. Airbus regards its entry into the international market for three- and four-engine airliners as essential if the consortium is to compete on an equal footing with other manu-

Currently, the Milan exchange has hit a flat patch and given up most of the gains made this year. However, a rush into the arms of London or New York is unlikely because man decisions on funding will follow "in the next few days."
It is ays it is optimistic that "something will happen before the Paris Air Show, early next month."

It insists that it has lost no customers for the A330 or A340

It is as the in Airbus Industrie, does not signal the go ahead for the month."

It insists that it has lost no customers for the A330 or A340

Industry Secretary, is likely to have more immediate impact as a political gesture, in the week the remaining category for the New York is unlikely because mutual funds have already been

that setting up a manufacturer of civil airliners would take decades, and Mr Jacques Chirac, the Prime Minister, has

committed himself in principle

to extending the range of Airbus models.

proposed by the International

Aero Engines consortium, now abandoned, and wanted reassur-

ance that airlines would also be interested in buying A-340s

Aviation officials were earlier sceptical about the prospects of

directed by a party veteran, 73- plan launched by the defeated La-fence. year-old Dr Censu Tabone, the only member with previous cabinet experience.

Solution of outgoing premium of its goals will be mirr Dr Carmelo Mifsud Bonnici, modified.

The condition of outgoing premium of its goals will be mirr Dr Carmelo Mifsud Bonnici, 54, who last night suffered a major

nine ministers and eight parliapair and the shipbuilding yard, durnew Maltese Prime Minister.
mentary secretaries whose responing a visit to a dockworkers union.

On Monday the Prime Mi

The island's foreign policy will be plan to scrap the five-year economic Europe for Malta's military de-

ment of the late nationalist Prime turned to normal following last Sat- as stable but critical.

Government would continue to seek dent Ronald Reagan will shortly

# Vote clears way for Turk opposition

BY DAVID BARCHARD IN ANKARA

proposed to power the aircraft.

The SuperFan was to have offered unprecedented improve-

ments in fuel efficiency and was

seen by many in the airline in-

dustry as the main reason for airliner interest in the new Air-

launch aid to British Aero-space, which has a 20 per cent

THE TURKISH parliament yester-

The vote of 310 to 56 came at the end of several weeks bargaining from political activity by a clause in Meanwhile amid signs that infla-over a bill which will make this and the 1982 constitution approved that tion in Turkey is once more run-

prove the amendments. However President Kenan Evren and the Prime Minister Turgut Ozal have relaxed turnout requirements

for the referendum which should now be relatively easy to meet. The politicians were disbarred

Turkey's main opposition Social

erendum will have to be held to aponly major group voting against the bill, arguing that it was a wrong way to proceed with the changes. Opposition parties will now press for a referendum as early as possible, perhaps in July, to allow Mr Demirel and Mr Ecevit to return to open politics by the autumn.

other amendments of the 1982 con- year by 92 per cent of the voters in ning at an annual rate of over 40 a referendum conducted under per cent Mr Ozal has said he wants The voting age in Turkey will be martial law with only the govern- to ban publication of two of his three rival price indexes.

The Ozal Government has been sembly, from 400 seats to 450. A ref- Democracy Populist Party was the unable to bring down inflation ter- figures

get levels for most of the period since it took office in 1983. Economists blame a continuing balance of payments deficit around \$3bn a year, a budget deficit of around two per cent of gross national product (GNP) and the steady channelling of funds from the Treasury and Central Bank into inefficient public and private sector producers.

Until this year, the state Institute of Statistics which is under the Prime Minister's control, the Istanbul Chamber of Commerce, and the Treasury, have all published rival

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# Malta cabinet sworn into office

repaid because the rise in the D-Mark has cut deeply into Airbus sales margins. This has made some recent Airbus sales made some recent Airbus sales General Electric CFM engine.

Deutsche Airbus thinks Bonn has not choice but to step in to convert the guarantees into budgetary grants.

In addition, officials had been keen for Airbus to win some advance orders for the medium range A330, which they regard

The French Government is as an essential twin to the

BY GODFREY GRIMA IN VALETTA

tained responsibility for the Island's from Britain in 1984. cabinet sworn into office yesterday. The new cabinet is made up of work abroad for both the ship re-send an emissary for talks with the

sibilities range from health to pris-

Dr Tabone served in the govern-

DR EDDIE SENECH ADAMI, Mal. Minister Dr George Borg Olivier urday's general election there has ta's new Prime Minister, has re- which negotiated independence been no hounding of Labour Party supporters,

The Prime Minister promised his It was also learned that US Presiing a visit to a dockworkers union.

According to authoritative revealed his Government would be sources the Government has no plan in sman the functional content.

On Monday the Prime Minister revealed his Government would be seeking guarantees from Western

54, who last night suffered a major As the situation in Malta re- heart attack, was today described

day approved a bill which should alformer political leaders such as Mr Suleyman Demirel and Mr Bulent Ecevit and other political leaders from the 1970s to return to poli-

stitution much easier. reduced to 18 and the size of Tur-key's single chamber National As-Turkey's main or

# **AMERICAN NEWS**

# Canada's NDP surges ahead in opinion poll

left-leaning New Democratic Party up to now.

With only 30 of 282 seats in the With only 30 of 282 seats in the firmed by a public opinion poll which puts it, the smallest group in parliament, ahead of both the ruling Progressive Conservatives and ics and prairie populists. The NDP the main opposition Liberal Party. has benefited recently from disaf-

break

Dudge

・ 一般のでは、 100mmのでは、 100mm

maid-air

the main opposition Liberal Party.
The NDP's rising popularity
comes amid moves by Mr John Turner, the opposition leader, to tighten discipline in the Liberal Party caucus following a number of public disagreements over key poli-

According to a countrywide poll by Angus Reid of Winnipeg, the NDP enjoys the support of 37 per cent of decided voters, putting it ahead of the other two parties for banks. the first time in its 26-year history.

Much of NDP's recent advance
The Liberals stand at 36 per cent, has come at the expense of the Lib-

As Canada's "party of protest", the NDP has in the past seen surges in its support between elections fade as voters shy away from at a caucus meeting that failure to its mildly socialist policies. But the toe the party line would jeopardise tions fade as voters shy away from results of the Reid survey indicate the party's chances in the next fed-

THE RESURGENCE of Canada's Canadian politics than it has been

House of Commons, the New Democrats' support is traditionally cenfection with the two main parties, especially in the key province of Quebec where it has hitherto had

virtually no presence.

The party, led by former political science Professor Mr Edward Broadbent, has tried to keep public attention off the more radical parts of its platform, such as a pledge to take Canada out of Nato and to nationalise one of the big Canadian

with the Conservatives trailing at erals, whose members are sharply 25 per cent. A Gallup Poll published divided on such issues as free trade yesterday continued to put the Lib- with the US, and the accord reached earlier this month to bring Quebec into the Canadian constitu

Mr Turner warned Liberal MPs that the party may be emerging as eral election, expected to take place a more potent and durable force in either next year or in 1989.

# McFarlane fails to recall meeting with King Fahd

BY LIONEL BARBER IN WASHINGTON

President Reagan's former National Security Adviser yesterday said he did not recall meeting King Fahd of Saudi Arabia to solicit a contribution with the Nicaraguan Contra

The Washington Post reported
that Mr McFarlane requested
\$8m to \$10m from the Saudis
in May or June 1984. A second
attempt to obtain money came been telephone twice by Mr the following year during a Reagan in the six months since state visit by King Fahd when it was revealed that between Mr McFarlane asked the Saudi 310m and 330m was diverted ambassador to the US for \$15m. from secret US arms sales to The question of Saudi contributions to the the Contras. He

MR ROBERT McFARLANE, important and sensitive aspect of the Iran-Contra hearings on Capitol Hill. The Saudis are estimated to have sent around \$30m to the Contras but US officials may have committed an illegal act in soliciting the money during the aid ban.

butions to the Contras during said Mr Reagan tol dhim this the 1985 congressional ban on week that he thought the hear-US military aid and official ings shed more light on the fund-raising has become an Iran-Contra scandal.

# **Increased** exports help shrink US trade deficit

By Stewart Fleming, US Editor,

A NEAR record surge in exports helped to shrink the US merchandise trade deficit to \$12.6bn in March—compared with \$15bn in February. But the March data under-

scored the sluggishness in the improvement in trade picture, in value terms. Although exports rose by 12.9 per cent (or \$3.6bn) to \$21hn, their highest monthly level since 1981, imports also rose significantly in value terms—by \$3.5bn, or 2.9 per cent, to \$34.69bn.

Behind the dollar amounts,

however, economists detect a continuing trend towards a decline in the real trade deficit in volume terms. The decline in the value of the dollar over the past two years makes exports cheaper, in dollar terms, and imports more expensive. Thus the volume increase in goods exported will be higher than the increase in value.

The US Administration is achieved to yet the heart inter-

seeking to put the best inter-pretation on data which, so far this year, suggests that the trade deficit is running at an annual rate of \$1640n -not far below the deficit of \$166bn in 1968. It is highlighting the underlying improvement in trade volumes.

Mr Malcolm Baldrige, the
Commerce Secretary, repeated Administration claims that the trade deficit is showing an "improving trand" ing an "improving trend," and that the improvement is

even stronger in the "price-adjusted trade flows." Worrying to the Adminis-tration in political terms, however, is that the monthly numbers are not improving significantly. Such an improvement might help the administration in its battle with Congress over trade legislation.

Also, there were reports yesterday that the latest calculations of the 1988 budget deficit by the Office of Man-agement and Budget indicate that the deficit picture is the deteriorating again.

The White House has recalculated the 1988 budget deficit from the \$198bn, contained in the president's budget in January, to \$135bn.

The figures are widely dis-

# NY insider dealing prosecutor stumbles

BY JAMES BUCHAN IN NEW YORK

of insider trading on Wall was mentioned as a candidate Street had all the shots. Since for any office he wanted—even, May 12, 1986, when the arrest of Mr Dennis Levine, a managing director of Drexel Burnham Lambert, shook the securities industry, the prosecution has extracted no fewer than 10 confessions of guilt from a terrified Wall Street.

Everybody wanted to do deals. Levine informed on Mr ivan Boesky, the arbitrageur, or speculator in takeover stocks, who informed on Mr Martin Siegel, who confessed to running an insider trading ring with three arbitrageurs at Kidder Peaboby and Goldman

Nobody knew where the daisy-chain would end.
Mr Gary Lynch, head of enforcement at the Securities and Exchange Commission, became a household name. Mr Rudolph Giuliani, the federal

FOR A YEAR, the prossecutors district attorney in Manhattan, it was said, the highest of all.

> At 5 pm on Wednesday in a New York courtroom, the pro-secution was revealed for what it has always been, underneath Mr Giuliani's flair and luck-an understaffed, overworked opera-tion faced by mountains of paper, formidable legal adver-saries and ill-defined laws.

In petitioning for a dismissal of its indictment against the three traders indicated by Mr Siegel, Mr Giuliani said he needed time to prepare a more extensive case, involving other conspirators.

doubts about his ability to prosecute a trial for an offence that is notoriously hard to prove without an admission of guilt. Mr Giuliani says he will seek a new indictment, but this will be more open to challenge from defence counsel, lawyers

at the most blue-chip investment firms: Mr Robert Free-man, partner in charge of risk Peabody: Mr Timothy Tabor, a amendment to a speedy trial. former Kidder arbitrageur.

The three traders were not

though they were common

in two takeover battles. in two takeover batles.

surprise dismissal petition after Judge Louise Stanton had rejected his appeal on Tuesday for a delay in the trial, set for May 20, until midsummer. The prosecution, which has issued 90 subpoenas and sequestered box after box of trading records flamboyant outsiders like Mr box after box of trading records Boesky, but senior executives from the two firms, asked for the delay to allow time for an expanded indictment, involving has thrown all its weight be-at least nine takeover stocks hind its partner, Mr Freeman. arbitrage at Goldman Sachs; and other individuals. The Mr Richard Wigton, former judge, though, cited the dehead of arbitrage at Kidder fendants rights under the sixth

Other lawyers say he has felons. They were charged with know" about a larger consuffered a reverse which raises swapping information on their spiracy, he said. However, he remains acutely vulnerable to charges of misjudgment and self publicity in order the Mr Giuliani submitted hls arrests without a case to prosecute.

This is the prosecution's dilemma. The arrests were clearly designed to scare Wall Street into co-operation. But the three men have refused to co-operate and Goldman Sachs, one of the most powerful investment banks on Wall Street,

If Mr Giuliani fails to gain a conviction in this first trial, he will find it much harder to gain the compliance of other sus-pects, above all in the highly former Ridder arbitrageur.

On Wednesday night, Mr

The three men were arrested on February 11 and 12, and led away in handcuffs from their homes and offices as sible to go to trial on that instead to links between Mr Boesky and Drexel Burnham, the aggrestible of their homes and offices as sible to go to trial on that instance of other suspensions of the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggrestible to go to trial on that instance of other suspensions of the bighly publicised investigation of the bighly publicised investigation of the bighly publicised investigation of the suspensions of the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicised investigation of the links between Mr Boesky and Drexel Burnham, the aggressible to go to trial or the bighly publicity and the bighly public dictment, given what we now ment bank.

Barnes, sensing the impossibi-lity, left the files intact and

This week, Mr McFarlane does not appear half as smart. Like Gen Secord in week one,

impeachment proceedings against President Richard Nixon

missed the scoop of the year.

# Lionel Barber explains the bad light cast on the White House by Iran-Contra revelations

# Danger from the patriots who went beyond

who led the first combat mission in Vietnam, in 1965, Mr Mc-Farlane is an expert at mutilating his mother tongue.

"I thought Ollie was surely the most mission-oriented cando or professions."

"There was an expert at mutilating his mother tongue.

"I thought Ollie was surely the most mission-oriented cando or professions."

the most mission-oriented, can-do professional on the staff," he declared this week before the joint Congressional hearing on the Iran-Contra affair, "and I believe the interpretation of guidance I had given him would probably be, certainly carried out, but that probably he would on occasion go beyond." Mr McFarlane's sombre,

almost somnambulant, style and his description of a former White House colleague, Lt Col Oliver North, is deceptively anodyne. Without question, what he has told the House-Senate hearing, in more than 14 hours of testimony, has been both illuminating to the general public and damaging to Mr Reagan.

Reagan.

He began on Monday morning, in the House Foreign activity as the core of our Affairs Committee room at the Policy.

Affairs Committee room at the Policy.

The House Foreign activity as the core of our Policy.

The House Foreign activity as the core of our Policy. Rayburn Building in the Capitol. The space was cramped and Mr McFarlane, accompanied by his crisply attired attorney, Mr Leonard The figures are widely dismissed on Wall Street as hopelessly optimistic.

His opening statement went pens when a covert policy goes several trained attorneys and meeting to 20 minutes. Mr.

that to lose in Nicaragua would invite the Soviets to step up their investment in aggression

significantly in other developing nations of the world," he said, in a variation on the domino

theory applied to Vietnam, Laos and Cambodia in the 1960s.

and Cambodia in the 1900s.

Then, however, he accurately characterised the Reagan administration's fundamental mistake: "If we had such a large strategic stake, it was clearly unwise to rely on covert

gressional hearing on the affair opened, Mr McFarlane and the

first witness, retired Major-Gen Richard Secord, have revealed

Iran ot be hijacked by a small Congress about the activities number of people who, however, of Col North in fund-raising Tran ot be hijacked by a small

the general public and damaging to President Reagan

director of the Central Intelli-gence Agency) simply refused incriminating National Security

one which will come into sharper focus in the next weeks. It North and received his "per-explains, too, why the 26 senators and congressmen on the (North) was within the law. House-Senate panel take their Later, Mr McFarlane invited the conjunction of the conj

former top foreign policy to the heart of the affair, poradviser to President Ronald Reagan, is a graduate of the Alexander Haig school of languages. A former marine, foreign policy: How to cope who led the first combat mission in Vietnam, in 1985, Mr Mc-Farlane is an expert at mutilating his mother tongue.

His opening statement went pens when a covert policy goes several trained attorneys and to raily the public behind a policy one cannot talk about openly.

The hearing has already shown how the Reagan administration at the property of the public behind a policy one cannot talk about openly.

The hearing has already shown how the Reagan administration allowed its foreign policy towards Nicaragua and at the nativities of the affair, porton, and how it is impossible two former federal judges, senator Howell Heflin of Alabour openly.

The hearing has already shown how the Reagan administration at the public behind a policy one cannot talk about openly.

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he has been gradually worn down by relentless questioning until he exploded with frustra-tion. Asked by Congressman Peter Rodino, who led House to many, a persuasive-case dedicated to their country, were for the Contras and in provid-Without question, what the former National Security Adviser has told the

in the Watergate hearings 13 years ago, if he knew of Col North's shredding of documents and possible obstruction of juspanel, in more than 14 hours of testimony, has been both illuminating to tice. Mr McFarlane blurted out: "That's right, and I deserve responsibility and I ought to be prosecuted to the full extent simply not up to the job. Also ing them with paramilitary revealed is how the President advice.
and his closest advisers (especially Mr William Casey, the late described this week, Mr McFar-

of the law and sent away."

This is the unspoken message in the hearings: Witnesses testifring without limited immunity to be bound by the will of the US Congress on the matter of aid to the Contras.

This is the wider canvas of the Iran-Contra hearing and Democrat from Maryland. can incriminate themselves and

others.
The White House, forced by embarrassing testimony to abandon its earlier stance of not commenting on the hearing, is getting edgy. The President's active role in support of the (North) was within the law. Contras is being gradually Later, Mr McFarlane invited drawn out in public. With Col Mr Barnes to his White House office to examine the damaging Poindexter. Mr McFarlane's suctors and congressmen on the (North) was within the law. Contras is being gradually House-Senate panel take their job so seriously. The yare reasserting the constitutional right of Congress, along with the president, to shape foreign policy.

The lawmakers—among them (North) was within the law. Contras is being gradually drawn out in public. With Col North and Vice-Admiral John Polindexter. Mr McFarlane's successor as National Security Adstack of papers piled on the desk and Mr McFarlane abrupt things can only get worse for the president.

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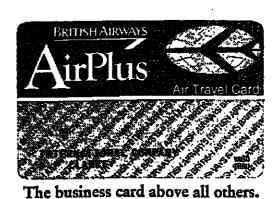
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TAURAN

By Ian Rodger in Tokyo

THE BATTLE to succeed Mr Yasuhiro Nakasone as Japan's Prime Minister opened yesterday as the first candidate declared himself. He is Mr Susumu Nikaido, a former vice president of the ruling Liberal Democratic Party

who led an abortive attempt three years ago to form a coalition with two opposition parties and oust Mr Nakasone from the Prime Minister's chair. Mr Nikaido is 77 and is seen

by political observers in Tokyo as a potential compromise candidate, someone who could emerge and rule for a short time i none of the acknowledged front runners attract enough support.
Mr Nakasone's term as LDP
president and Prime Minister

ends in October.

Mr Nikaido said at a Press conference yesterday that he was running to help unify the Tanaka faction, of which he is the head, but political observers doubted that he would succeed. Unity in the Tanaka faction, the largest within the LDP, has been

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FINANCIAL TIMES

# "Chance favors the prepared mind..."

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# Australia plans radical industrial relations reform

The new 380-clause Industrial
Relations Bill will replace the
83-year-old Conciliation and
Arbitration Act. It modifies the
old institutions for the commission must first seek
to resolve a secondary boycott
dispute before it is referred to old institutional framework, adjusts the way disputes are settled, toughens the means to ensure compliance and en-courages changes in trade union

But Mr John Howard, leader of the opposition Liberal Party, said yesterday it showed the Government was prepared to nut trade unions above the ordinary courts of the country. Loudly echoing the complaint, the Confederation of Austra-lian Industry said it gave trade unions increased scope to take

AUSTRALIA'S Labor Party trial Relations Commission, Government yesterday introduced leglislation overhauling cliation and Arbitration the country's highly institutionalised industrial relations system, but immediately met than its predecessor, and is loud criticism from the opposition and business community.

AUSTRALIA'S Labor Party trial Relations Commission, which replaces the old Condition and Arbitration is granted much wider jurisdiction system, but immediately met than its predecessor, and is loud criticism from the opposition and business community.

dispute before it is referred to the second new body, the Labour Court, which replaces the Industrial Division of the Federal Court. Employers say the whole pro-

cess will take too long, both in this sort of case and in respect of injunctions, which must now be obtained from the Labour Court and not through the com-mon law. The Government, insisting the intention is not to limit employer responses, says employers should not be pursuing injunctive relief in two courts and unions should The worries focus on the elimination of access to the common law to secure injunctions against industrial action, the State Government has the fougher barriers to recently introduced the common laws seen industrial action with impunity. not be facing double jeopardy. and the tougher barriers to recently introduced the action against unions in secon- toughest anti-union laws seen

dary boycott disputes.

Action under the Trade Practices Act over secondary boycott disputes must now be referred first to the new Indus-

# **Optimism** on New Zealand rates

By Jonathan Wicks in Zurich

NEW ZEALAND'S interest rates are likely to show a gradual decline over the coming 12 to 18 months, according to Mr Roger Douglas, the Finance Minister. Long-term rates are running at some 17 to 18 per cent and short-

Speaking in Zurich yesterday, Mr Douglas said failing interest rates should accompany a noticeable slowdown in inflation. For the fiscal year ending March 31, 1988, the inflation rate was estimated at 7 to 10

per cent.

term interest levels at around 25

In comparison, the consumer price index had risen in 1986-87 by some 18.3 per cent in New Zealand, according to government figures.

Gross domestic product (GDP) which had shown real-terms growth of 2.2 per cent last year, is virtually flat. However, the minister indicated that the economy was doing better than had been expected. Instead of what had earlier been seen as a decline in real GDP, this would probably rise by some 0.6 per cent in fiscal 1988, according to latest

forecasts.

Unemployment, said Mr Douglas, was likely to stay at around the 4 per cent level or perhaps slightly higher. This reflected a restructuring of the New Zealand economy, however, with job losses in some sectors being offset by job creation in others.

He stressed the importance of socalled "corporatisation," the priva-tising of government businesses.

BY JOHN ELLIOTT IN COLOMBO

PRESSURE is growing on Mr

Junius Jayawardene, president of Sri Lanka, to aban-

don plans his Government is believed to have drawn up to try to capture the city of Jafina, stronghold of the

Tamil separatist movement

The Government is believed to have estimated

that an attack could lead to as many as 10000 civilian casualties, and up to 1,000

troops. The civilian estimate is supported by Tamil leaders who know the densely popu-

Robert Thomson in Peking on clouds over a special zone

# Shenzhen out of favour

WHEN THE Shenzhen special eco-nomic zone was launched eight years ago, the Chinese Government intended that it and the country's three other zones would be "win-dows on the world". But Communist Party officials in Peking have de-cided that the zone's outlook is of-

ten not to their liking.
Shenzhen is China's twilight zone. It is just across the border from Hong Kong and half way to capitalism, or at least that is what Peking would like foreign investors to think and that is certainly the feeling of numerous conservative Politburo members who reckon that Shenzhen is too special for its own

good.
The zone, intended as a model for urban development, has become a model of ideological impropriety. Two newspapers, the Shenzhen Youth Herald and the special zone Workers' Daily, have been closed in recent weeks, and a literary magazine, Special Zone Literature, has been suspended as part of the combeen suspended as part of the com-paign against "bourgeois liberal-ism". The brash Youth Herald made the mistake of suggesting that Chi-na's leader, Deng Xiaoping, 82, should retire.

These political problems have added weight to the arguments of a failed "experiment" — Deng himself

failed "experiment" – Deng himself has called the venture an "experi-ment". "If it fails, we can draw less-

ons from it," he said. Shenzhen's economic contributions are debatable. While officials point out that annual output has grown from \$16m in 1979 to \$1.6bn last year and that foreign invest-ment this year is expected to rise 13 per cent to around \$500m, the zone has failed to reach key targets for exports and technology transfer.

lated city well.

Mr Rajiv Gandhl, Indian
Prime Minister, is to be
asked this weekend by
moderate political leaders
of the Tamils based in the
southern Indian city of

Madras to launch an inter-national appeal for the United Nations to provide a

peace-keeping force.
The Government started

the raids after a big bomb

blast in the capital of Colombo three weeks ago. Tamil extremists have been



supposed to be exported, but the present official figure is 45 per cent, and the real export figure is lower, as goods are regularly exported to Hong Kong, then re-exported to inland Chinese cities awash with con-

The official responsible for the "open door" policy, Gu Mu, a state councillor, assured that the zone would have Peking's continuing support, despite persistent rumours in the Chinese capital that develop-ment funding will be slowed significantly. Those rumours have gathered momentum with the coming of the campaign against bourgeois lib-

As for the ideological indiscre-tions, Gu said that Shenzhen will be 'special" because of its extra vigilance in opposing Western influence.
Officials in Shenzhen are wary of
the campaign; so wary that one admitted to wearing cloth shoes in
place of his better quality leather variety to show he is abiding by the calls for "thrift" and "sruggle."

blamed for the blast by the

Government. But spokesmen

of the two active Tamil ex-

Madras, yesterday both re-peated earlier denials that their people were involved. Both moderate and ex-tremist leaders of the

Tamis are also warning that it would be impossible for them to reopen talks with the Sri Lankan Government on a

groups, the Tamil (LTTE) and the Tigers (LTTE) and the Eclam Revolutionary Organi-sation (Eros) based in tion Department and responsible for its wayward newspapers, admit ted that he had been attacked. "My department has been criticised and they have criticised me. We have learned from this experience," he

While Wang has kept his job, the editors of the two closed papers are awaiting reassignment. Shenzhen's vice-mayor, Zou Erkang, said that they could continue writing, but whether their material would be published is another matter. The zone had lured many of China's more confident young journalists and writers, who presumed that the wide-ranging economic licence would be matched by artistic li-

The Youth Herald had published the thoughts of three party mem-bers expelled in recent weeks and repeatedly pilloried in the mainstream press: a journalist, Liu Biny-an, a writer, Wang Ruowang, and an outspoken astro-physicist, Professor Fang Lizhi

Hong Kong and Peking compete for influence here. Most Chinese watch Hong Kong television, main ly because the local product is on the soporific side of boring, and fol-low Hong Kong fashions. Taxi driv-ers openly ridicule foreigners who attempt to pay them in Chinese cur-rency and not Hong Kong dollars. while Hong Kong trucks with dual registration cross the border freely. Zou Erkang said cadres in Shenz-

hen have to be more careful than in other parts of the country because "they have more chance to mix with foreigners." Our cadres, he said stating that, as no decision had stating that, as no decision had stating that, as no decision had been taken at the deadlocked meeting of the inner Cabinet, bourgeois liberalism is to create a Mr Peres would continue to

settlement of the Tamils' demands for regional devolu-

tion and the creation of a homeland in the aftermath of mass casualties on the scale forecast for a Jaffua city

However there is considerable attraction for the Sri Lankan Government to stage the attack because espturing

Jaffna would take the heart out of the extremists cam-paign of violence which has escalated in the past four

# Israel in two minds over foreign policy

By Andrew Whitley in Jerusalem

THE BITTER contest between Labour and Likud, unhappy partners in the near-moribund national unity government, for control over the country's foreign policy degenerated into open warfare yesterday as both sides told foreign governments that they spoke for Israel.

In Washington, Mr Yosef ben-Aharon, a top aide to Prime Minister Yilzhak Shamir, sald Minister Yilzhak Shamir, said he had told the Reagan Administration that the US-backed proposal for a Middle East peace conference was dead. No Israell government member would be permitted to pursue the conference proposal, he

"I met people in the White House and, in the name of the Prime Minister, I informed them that following the debates in the Cabinet (on Wednesday), the subject of an international conference is finished," said Mr ben-Aharon, director general of Mr Shamir's office. But the Foreign Ministry in Jerusalem, run by Mr Shimon Peres, the Labour leader, is taking a diametrically opposite view, urging Israeli embassies abroad to support Labour's line.

On the eve of Mr Peres's departure for urgent talks in Washington, Mr Yossi Bellin, the ministry's senior official, sent a circular to all ambassies pursue negotiations towards a peace conference.

In defiance of the Prime Minister, Mr Peres said he would be asking Mr George Shuitz, the US Secretary of State, what the US suggested "to keep the peace process alive." On Wednesday night Mr Sharis had appropriate the secretary of the secretary of State, what the US suggested "to keep the peace process alive." On Wednesday night Mr Sharis had appropriate the secretary of the s Shamir had warned anyone talking to the Foreign Minister that "Mr Peres does not speak in he name of the Government."

# Lebanon to alter banknotes

By Nora Boustany in Beirut

THE CENTRAL Bank of Lebanon has proposed the issue of banknotes in larger denomin-ations to avoid the cumbersome transportation of huge piles of money for simple daily trans-actions, Mr Megerditch Boul-doukian, the vice governor, said The central council of the

Central Bank agreed on the measure Wednesday but par-liamentary approval is required for the amendment of the money and credit law, according to Mr Tewfic Chambord, a legal counsellor at the Banque du

# **Opposition leader assails** Labor over mini-budget

BY CHRIS SHERWELL

AUSTRALIA'S political opposition yesterday reacted critically to the Labor Government's minibudget on Wednesday, but local financial markets responded in-differently as the savings measures and the latest balance of payments figures met expec-

In a powerful attack on the

economic performance of Prime Minister Bob Hawke's Government, Mr John Howard, leader of the Liberal Party, accused Labor of presiding over the largest fall in Australian living standards in 30 years.

After seven budgets and mini-

budgets the Government could no longer hide behind the alibis of the previous government or external circumstances, he said. Labor had made matters worse by not responding quickly enough, and still could not offer

changes.
"This is the biggest spending, biggest taxing government in peacetime history," he said. Of the A\$4bn (£1.7bn) reduction announced in the prospective budget deficit, only A\$1.6bn was due to savings in the Gov-ernment's own spending.



John Howard

In domestic financial markets short-term interest rates fell further and the Australian dol-lar moved little in response to the mini-budget and the April balance of payments figures reyesterday.

The figures showed the visible trade balance slipping back into the red, having registered an encouraging surplus in three of the previous four months. The current account deficit was A\$996m, up from A\$815m the previous month and the third increase in a row.

Maggie Ford reports on the anniversary of the Kwangju uprising

# Koreans have democracy in mind

Sri Lanka may drop plan to capture Jaffna

MOON JAE HAK, a student at Kwangju commercial high school, was only five days short of his 16th birthday when he died seven years ago. Along with 100 others killed by troops sent in to crush a people's rebellion, his body lies in the

On Monday, the anniversary of the first day of the uprising, the cemetery will again be the focus of the South Korean people's resentment at the lack of democratic change in the country. A memorial mass for the victims and a march to the cemetery are planned and a substantial turnout of protestors is

This weekend's anniversary comes at a time of growing political tension in the country. Last month President Chun Doo Hwan announced that because of divisions within the opposi-tion parties and stalled negotiations, he was calling off plans to revise the constitution.

In the interests of stability, a new president would be elected under the old constitution, under which the opposition cannot gain, and democratic reform would be put off until after the Seoul Olympic Games in 1988. The decision has deepened the unpopularity of the Chun Government and led to increasing protests by opposition leaders, students, academics, religious leaders and other dissi-dent groups. Despite the Government's obvious success in improving the economy and raising living standards. South Koreans appear united in their dislike of the country's leader-ship. The rebellion at Kwangju is at the root of their discontent.
The events of May 1980 came in the aftermath of the assassi-nation of President Park Chung Hee, Mr Chun's predecessor, who had himself taken power in

military coup 19 years ear-The assassination followed a series of student demonstrations over the withdrawal of political rights from Mr Kim Young Sam, one of South Korea's two main political leaders, who was then head of the main opposition party. An interim period followed in which, although the country was under martial law, there were hopes that democra-tic change could be accom-plished. Mr Kim Dae Jung, South Korea's other leading opposition politician, was re-leased from house arrest and led a strong campaign for swift de-

mocratic change.

He did not however, reckon on the speed with which Mr Chun, then a three star general in charge of the investigation of President Park's killing, would move. Along with a number of colleagues, including Mr Roh Tae Woo, presently chairman of the ruling Democratic Justice

Party and the likely next president, Mr Chun staged what was effectively a coup in December

Mr Kim is the favourite son of the people of Cholla province, one of the poorest areas in South Korea. His home town of Mokpo, where he was brought up by his fisherman father in impoverished circumstances, is only about 40 miles from Kwangju, the provincial capital. Rwangju, the provincial capital. The people of Kwangju, out-raged at seeing their hero back in jail, rose up against the mar-tial law administrators. Led by

students, the people took over the town, holding it for nine days until they were forced to surrender by the army. The death toll was officially just



under 200, but church and oppo-sition estimates put it much

Anger and resentment at the military's harsh treatment at the military's harsh treatment persists to this day. But the strong feelings of the people of Cholla province against the Government are not based only on the violence of 1980. This agricultural province has also been detural province has also been de prived of most of the benefits of South Korea's economic

om. The visitor travelling from Pusan to Kwangju cannot help but notice the difference. Apart from new buildings for univer-sities and colleges, few new apartments or industrial estates are evident. Roads are poorly maintained, although noticeably less packed with traffic than elsewhere. Per capita income in the Cholla area is almost half that of the capital and only 73 per cent of the average nationwide. Were it not for the clear disparity in the people's stan-dard of living, the lack of development would be a bless-ing in disguise. For the city retains the pleasant air of a country university town, with winding streets, attractive cafes and an intellectual atmosphere.

This weekend that atmosphere is likely to be polluted by tear gas as the authorities seek to prevent violent incidents when Kwangju, and the nation, re-members its dead.

Neither Mr Kim Dae Jung, again under continuous house arrest, nor Mr Kim Young Sam, again threatened with govern-ment action against his political activities, can be there. For them, both the parallels and the differences between 1980 and 1987 are striking and promising. For a start, they are working together, not in competition. Second, they do not believe there is an ambitious clique in

the military hoping to take power. Democracy will be on every-

one's minds this weekend at what is sure to be an even more emotional anniversary than usual. As one Kwangju church-man said: "President Chun says he will step down at the end of greatly diminished purchasing his term next February. This is our last chance to show him prompted central bank officials how we feel about the way he to consider issuing L£500 and took power."

Ready unministed purchasing his consider is prompted central bank officials to consider issuing L£500 and took power."

# BASF'87

**Annual Meeting** of Stockholders

The Annual Meeting of Stockholders will be held on Thursday, June 25, 1987, 10:00 a.m. at the BASF Feierabendhaus, Leuschnerstraße 47 Ludwigshafen/Rhine, West Germany

Agenda

1. Presentation of the Financial Statements of BASF Aktiengesellschaft and BASF Aktiengesellschaft consolidated with its German Subsidiaries; presentation of the Annual Reports of BASF Aktiengesellschaft and BASF Aktiengesellschaft consolidated with its German Subsidiaries; presentation of the Supervisory Board Report.

2. Declaration of dividend. 3. Ratification of the actions of the Supervisory Board.

4. Ratification of the actions of the Board of Executive Directors.

5. Change to the Articles of Incorporation. 6. Appointment of auditors.

Shareholders wishing to participate in the Annual Meeting and to exercise their right to vote must have deposited their shares during normal office hours and in the prescribed form at a depository bank. The shares should remain deposited until the conclusion of the Annual Meeting. Shareholders have the right to vote by proxy.

Depository banks and the full Agenda are published in the "Bundesanzeiger" of the German Federal Republic Nr. 90 of May 15, 1987.

The deposit is only effective if the shares are submitted by Friday, June 19, 1987.

Ludwigshafen/Rhine, May 15, 1987 The Board of Executive Directors

BASF Aktiengesellschaft D-6700 Ludwigshafen

BASF

# NOTICE OF REDEMPTION

# THE PROCTER & GAMBLE COMPANY

Extendible Notes Due December 15, 1994

NOTICE IS HEREBY GIVEN that, pursuant to paragraph 7(c) of the Terms and Conditions of the Notes described above (the "Notes") the Company has elected to and shall redeem on June 15, 1987 (the "Redemption Date") U.S. \$10,000,000 aggregate principal amount of Notes at a redemption price of 101% of the principal amount thereof (the "Redemption Price"), plus accrued interest from December 15, 1986 to the Redemption Date in the amount of \$54.38 for each \$1,000 principal amount of Notes. The serial numbers of the Bearer Notes selected for redemption are as follows:

OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$1,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS: THROUGH FROM THROUGH 44500 48000 87500 66000 73500 OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$10,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS: THROUGH THROUGH

The Notes shall become due and payable on the Redemption Date at the Redemption Price, plus accrued interest, which shall be paid upon presentation and surrender of the Notes, together with all compons thereto appertaining maturing after the Redemption Date, at the paying agents

The Notes to be redeemed will no longer be outstanding on and after the Redemption Date, interest on the Notes will cease to accrue from and after the Redemption Date, the coupons for such interest shall be void, and the sole right of a Note holder shall be to receive the redemption price plus interest accrued on such Note to the Redemption Date.

Payments at the office of any paying agent will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in Europe. Following this redemption, U.S. \$3,000,000 aggregate principal amount of Notes will remain

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# A\$350m radio defence order

BY TERRY DODSWORTH

a new tactical radio communifield vehicles.
cations system. "Australian

Mr Kim Beazley, Australia's Minister of Defence, announced yesterday that the radio equipment programme, codenamed Raven, would go ahead shortly. It follows a £20m contract to Plessey to develop the system. Final details of the contract tre being negotiated.

"Australian sub-contractors will have a major manufacturing involvement and a wide range of other companies will have associated involvement through the provision of component parts and assemblies." Mr Beazley said.

Plessey has recently emphaare being negotiated.

Plessey will be manufactur-ing most of the new equipment in its Australian plant at Meadowbank, New South Wales, where about 600 jobs will be created. Production is expected to continue into the early 1990s as a result of further projected

awarded, makes use of the latest generation of frequency-hopping radio techniques to prevent eavesdropping and jamming by groups, including Plessey, have enemy operators.

The system is aimed at com
announced redundancies in the UK recently to adjust to the re-

PLESSEY, the UK electronics and headquarters, and is small group, has won an A\$350m enough to be carried by infan-(£160m) contract from the Austrymen in their backpacks, as tralian Ministry of Defence for well as being mounted in battle-

"Australian sub-contractors

Plessey has recently empha-sized the Raven project as evi-dence of its ability to maintain the sales of its defence business when UK defence spending is stagnating and overseas activity

UK defence companies have been particularly hard hit by a decline in contracts from the Raven, one of the largest Middle East—a buoyant market tactical radio contracts ever for communications systems until the slump in oil prices that

# Pakistan, France fail to settle N-plant dispute

BY MOHAMMAD AFTAB IN ISLAMABAD PAKISTAN and France have because he feared Islamabad failed to reach settlement of a might use the plant ultimately multi-million-dollar dispute over to develop nuclear weapons, cancellation of a nuclear reprocessing plant, a Pakistani foreign ministry spokesman

said. Mr Jean Bernard Raimond, Foreign Minister, had talks with his counterpart, Sahabzada Yaqus Khan of Pakistan, last week to discuss an out-of-court settlement of the dispute, which arose over French cancellation of the nuclear reprocessing plant, to be built under a 1974

agreement.
The plant was to have been built by the French state-owned Saint Gobain group.
But Paris pulled out of the contract and told Saint Gobain not to supply the plant, under pressure from the US. The then President Jimmy Carter had

ON N

11

Pakistani and French officials refuse to say how much com-pensation Islamabad is asking for cancellation of the deal. But the figure is believed to run to \$600m (£375m). The cost of the original plant has never been Mr Raimond had propose

that Pakistan agree to an out-of-court settlement for the compensation after which Paris will agree to a Pakistani request to build a 900MW civilian nuclear power plant at Chashma, in Central Pakistan.

The Chashma power plant is needed to overcome Pakistan's chronic power shortage which has held up the growth of new industry, and badly hit other sectors of the economy. sked France to cancel the deal

# BATTLE FOR CANADA CONTRACT Icebreaker deal is test of prestige

BY BERNARD SIMON IN TORONTO AND OLLI VIRTANEN

shipyard

in deciding its fate.

The shipyard insists, how-

AN ATTEMPT by the Canadian Government to score political points in the province of British design contract, Wartsila and to Columbia has turned a bid to design the world's biggest ice-breaker into a complex struggle for control of an ailing Vancouver shipyard.

With several leading ice-

vancouver snipyard. Canada's biggest engineering with several leading ice-breaker specialists from Europe and Nowb America Inc. and North America involved in the contest, the design and con-struction of the 194 metre-long vessei, known as the Polar 8, has also become an important test of prestige in a littleknown but intensely competi-

tive industry.

The Polar Icebreaker
Canadian Design Group, one
of two consortia bidding for the contract, appeared to gain the upper hand when it an-nounced plans recently to form a design and construction part-nership with Versatile Pacific Shipyards (VPS) of Vancouver. Shipyards (VPS) of Vancouver.

VPS was named by the
Federal Department of Transport two months ago as the
Giovernment's favoured candidate to build the C\$320m
(£144m) icebreaker, which will
help safeguard Canada's interests in the vast Arctic
archipelago. archipelago.

Three cabinet ministers flew to Vancouver in March to make to vancouver in march to make the original announcement, reflecting the strong political overtones in the choice of VPS. With the conservative Government of Prime Minister Brian Mulroney anxious to Western Canada, the ice-breaker contract would give a new lease of life to VPS and to its debt-burdened parent company Versatile Corporation of Vancouver.

of Vancouver.

Versatile, once a shining star of British Columbia business, has recently been on the brink of collapse. It has already had to sell most of its other businesses, including a Winnipeg-based farm machinery maker, two Quebec shipyards and a Vancouver cold storage operation. The company's 1986 losses of CSS2m equalled almost

a quarter of its revenues.

In view of Versatile's financial problems, the Government will not finalise the Polar 8 contract until VPS meets a number of stringent conditions. These include posting a C\$100m performance bond and demonstrating the technical ability to design a vessel capable of maintaining a speed of three knots through ice 2.5

metres thick.

VPS is in no position to meet these conditions alone, thereby creating an opening for the second design consortium. Western Shingards, led by the large Finnish shipbuild- ever, that it is not for sale.

# Plessey awarded Yeutter optimistic on world farm trade reform

THE ministerial talks at the Organisation for Economic Cooperation and Development (OECD) have given an "excel-lent momentum" towards re-form of world agricultural trade, Mr Clayton Yeutter, US Trade Representative, said in Geneva yesterday.

He hoped that further momentum would be added at

the Venice Summit on June

The heads of government of the seven leading industrial powers would then have the opportunity to articulate a political commitment to agricultural reform and to focus on specific issues to be dealt with in the current trade-liberalising

In a sangulae summing-up of the OECD meeting, Mr Yeutter was also "cautiously optimistic" retaliate against nations was also "cautiously optimistic" running high trade surpluses that "constructive" US trade with the US. legislation would emerge from the consultations between the Reagan Administration, the House and the Senate which will peak in mid-July. To reassure Gatt delegates

concerned about the direction

of US trade policy, Mr Yentter insisted that President Reagan

would not compromise on his free trade principles.
The Administration was working hard to obtain acceptable legislation and the trade bill would be Mr Yeutter's own priority for the next two to

round under the General The US House of Represen-Agreement on Tariffs and tatives last month adopted a Trade (Gatt), Mr Yeutter said. stringent trade bill which

But Mr Yeutter said a pro-tectionist bill was "unlikely" to emerge from the consulta-tions. It could be a tough bill but toughness was not synonymous with protectionist Mr Yeutter described the OECD ministers' statement on agricultural reform this week as "without doubt the most comprehensive and forward-looking" he had ever seen from an international forum.

But he was guarded about the prospects for quick results on farm trade in the Gatt round and opposed an OECD secre-tariat proposal for a 10 per cent across-the-board cut in farm subsidies.



solutions that would serve for talks. many years should be sought.

tive was more enthusiastic introduce hew protection about an OECD scheme for measures while the Round measuring a country's use of on.

trap " produced so far for catching subsidy levels and could manner.

well form a basis for the Gatt
pagorizations. Me Vouter could be manual.

For a country with mr Clayton Feutter

Mr Clayton Feutter

Mr Clayton Teutter

Farm trade talks should not commitment made by trade open trading system," he added to the US had been behaving the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working failure to observe the standstill 18 hours a day to preserve a commitment made by trade open trading system," he added the US had been behaving the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth the US had been behaving the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said. "Some of us are working the US aggressiveness in settling remarkably well, Mr Yeuth said." Some of us are working the US aggressiveness in

fixes " such as the OECD's pro-posed 10 per cent subsidies cut, Uruguay Round last year w Mr Yeutter said Long-term clouding the climate of the G

Under But the US trade representa- countries undertake not

subsidies by calculating so-called Producer Subsidy Equivalents and Consumer subsidy Equivalents.

This was the best "mouse-they had to be managed in-they had to be managed in-

For a country with a \$170

# China textile exports to US likely to stall by mid-year

CHINA'S textile exports to the into the following year's allocaUS, which rose by 63 per cent tions when quotas have been last year, are likely to stall filled, but a US-China textile around the middle of this year agreement expires this year and stuck with the fake licences to lose significant partly-finished cotton garments.

The provincial import and stuck with the fake licences to lose significant ago, the US (ago, the US)

The provincial corporations amounts.

The provincial corporations amounts.

A Peking representative of a US among provincial import and stuck with the fake licences to lose significant ago, the US (ago, the US)

The provincial corporations around to have more are known to have m cause it is rapidly filling its textile quotas.

Industry officials in Peking suggest that about 20 per cent of quotas — 80 per cent of Chinese textile and apparel categories are covered by quotas — have been filled, and US textile importers are concerned that busines will dry up after July.

China has previously eaten the first six months," said the

no quotas have yet been agreed for 1988.

The second round of negotiations for a new agreement ended last week in Canton in the south, and US officials in China are not willing to say when the new pact will be finalised. "There is only enough room in the quotas for the US for

China's Ministry of Foreign Economic Relations and Trade (Mofert) has highlighted the faking of export licences in Hong Kong as a major reason for the over-supply,

"I don't know what we are going to do after that."

However, US industry officials believe the problem is not as serious as China suggests, and that a far more important factor is the lack of co-ordination

The provincial corporations are known to have more licences than allowed by Mofert in Peking, and have given individual factories much higher export quotas than per-

mitted under the state plan. US customs officers have this year been working more closely with US-based Chinese trade officials, who are advising on the legality of suspect export licences. The goods are held by customs, and companies Mofert to authorise the issue of a valid export licence and additional quota allocation.

Mr Ness said it was unclear if the Chinese ministry will be by customs, and companies as generous to other, smaller

A Peking representative for the National Council for US-China Trade, Mr Andrew Ness, said that a major US importer unwittingly caught with a fake licence had a landmark victory in the past week by convincing Mofert to authorise the issue of a valid export licence and

During a visit several wee ago, the US Commerce Secretary, Mr Malcolm, Baldrig emphasised, Washington's co cern over the leap in texti exports, which has made Chin the largest exporter by volum to the US. Mr Baldrige sa that unless growth slows sign ficantly, "We will have ficantly, "We we chaotic situation."

Chinese exports have creased in tandem with industry pressure to introdu protectionist legislation.

#### FOCUS ON INTERNATIONALISATION OF JAPANESE MANAGEMENT

aiwa Securities innovative approach to new products and aggressive new product strategy have thrust it to the fore in world capital markets.

With \$12 billion of clients' funds under management in the Tokyo market, Daiwa is a clear leader in this field, at the same time dominating the trading in foreign equities in Japan along with that of equity-linked paper.

Daiwa also ranked first among all Japanese houses in Eurobond financings for European borrowers, lead managing 29 issues totalling \$3.7 billion.

Makoto Kasui, chairman of Daiwa Europe Ltd. discusses this success, and presents some projections for Daiwa's future.



Mr. Makoto Kasni, Chairman, Daiwa Europe Ltd.

# New Products Underpin Growth

By Brian Robins

Sharp rise in foreign equity trading

Robins: What contribution does Daiwa Europe currently make to Daiwa's global operations, and where does Daiwa Europe focus its main operational interest?

The Wartsila group is undaunted by VPS's announcement that it plans to link up with Polar Icebreaker Group, led by marine engineers Sandwell Swan Wooster. Kasui: Daiwa's international operations are currently growing very rapidly, supported by Japanese investors' need to export capital from An official at Wartsile's Van-couver-based Canadian subsidi-ary says that "whatever domestic markets where real returns are progressively declining. We nearly tripled our business in Daiwa Europe to almost £30 million after-tax profit in fiscal 1986, and we hope to report An attempt to score another substantial advance for the political points has

We are also focussing very turned a bid to design strongly on foreign equities, which the world's biggest icenow contribute about 35 per cent of our total overseas earnings, with bond breaker into a struggle and equity warrant trading providing for control of an ailing a similar proportion, and financial income and underwriting business making up the balance. Our foreign equity trading growth has been phenomenal errangements Versatile makes, the Government has an abso-late veto." Versatile's creditors amount of business in this sector, but now we seem to be doubling our are also tikely to play a role trading volume roughly every month.

able to earn on domestic government

current year.

Robins: Why have you been so The Wartsile official adds that "it's a question of which consortium has the best pro-Kasui: Well, Japanese investors possi as regards all elements of the programme, including the viability of the West coast increasingly want to invest abroad, and we are the leading foreign equity house in Tokyo. Up to a year or so shippard."
Wartsila badly needs the
Canadian contract. Although it ago Japanese investors mainly bought. US Treasury paper, which combined safety and liquidity and offered them has garnered two-thirds of the world icebreaker market, the Finnish company has recently had farancial problems of its roughly double the return they were

own, stemming from the de-pressed state of the world ship-But then the year's climb against the dollar began to saddle them with building industry. increasingly heavy exchange rate Earlier chis year, Wartsila losses, and these losses drove them to lost a valuable Swedish order to diversify into other foreign currencies a design submitted by Calgary--for example the major Japanese based Canadian Marine Drilling (Canmar)—which is a member of the rival Polar kerbreaker Consortium bidding for the Canadian contract. stockbroking houses began bidding as a syndicate for West German

government paper in June 1986. They also began to seek equity Despite its recent successes investments capable of providing in the marketplace, Canmar has the disadvantage of being a subsidiary of the embattled Calcompensatory capital gains, particularly as leading US and European gary oil and gas producer Dome equities standing at single digit or low Petroleum. Dome, with debts teen price earnings ratios offered of C\$8.4bn, is presently the strong fundamental attractions when target of a controversial takeviewed against an average Tokyo price over bid by the US oil company

earnings ratio of more than 60. The Wartsile consortium is Daiwa's strong track record crossing fingers that doubts about the future of Dome and secured us a powerful lead. We have now launched 19 major Japanese Canmar will still help tip the companies and a further 32 major scales for the Polar 8 contract in its favour. non-Japanese companies into the international equity-linked markets, and secured Tokyo Stock Exchange listing for 22 multinationals. In addition, we are a major force in international equity warrant trading, leading this market by managing 125 issues in

During the year we also launched a range of innovatory bond issues, including the first Euroyen debt warrant issue, the first yen private placement, the first deferred compon Eurodollar bond, the first step-up FRN, the first Euroven bond linked to the Nikkei Tokyo Stock Exchange index, and a ¥130 billion Euroyen issue for the Kingdom of Denmark that ranked as the largest straight Euroyen issue to date. Demand for this issue proved absolutely explosive, both in Japan and abroad, and investors' enthusiasm enabled us to raise 30 per cent more than our original ¥100 billion target...

> Currency diversification move

Robins: Are you still bullish about Euroyen demand following the yen's strong climb against other leading currencies?

Kasui: Very much so. Both current dollar weakness and weakening world money rates are pushing up Euroyen demand. However, we are also moving increasingly into other currencies-for example, we are currently experiencing very strong demand for Deutschemark paper, though yields here cannot be ranked as a tremendously attractive alternative to ven bonds.

We are also very interested in exploring potential ECU demand, where we see premium yields providing a very appealing alternative to dollar

Sterling might be interesting as well, particularly gilts. But the yield trend is currently negative in London, which eliminates any possibility at the moment of borrowing in short-term markets and profiting from bond yield differentials.

> Popularity of Tokyo listing

Robins: How can multinationals particularly benefit from securing a Tokyo listing?

Kasuit Newcomers can access the Tokyo Stock Exchange either by placing equity in Japan as a primary issuer, though this tends to be rather expensive by international standards,

or by placing existing equity privately or through a leading stockbroker. We are currently building a strong pipeline to import equity from London and New York and other leading stockmarkets.

Robins: What kind of multinational might be expected to attract most interest?

Kasni: A company must first meet Tokyo Stock Exchange requirements that it possess at least \$10 billion in equity, has earned at least \$2 billion in each of its three previous trading years, has paid dividends for at least three years, can expect to keep on paying dividends into the foreseeable future, and will have at least a thousand Japanese

We tend to look for companies that are cheap by Tokyo standards and offer attractive switching opportunities, and companies that offer Japanese investors totally new investment opportunities. However, at this stage in the market's development, we have to recognise that smaller foreign companies, not known in Japan, are at a disadvantage in being able to appeal to the Japanese investment community. In broad terms, a foreign company with less than ¥100 billion in net worth, or, for example, one which does not rank as one of the 50 top British companies, would have difficulty in stimulating a real investor following in Tokyo.

Robins: What about secondary market support?

Kasni: We pay a great deal of attention to developing a strong secondary market for foreign listings in Tokyo, and here we can rely on very powerful liquidity as well as growing Japanese investment interest. We are also continuing to strengthen our placement power outside Japan, not least by recruiting an increasing number of non-Japanese staff. We have moved over the past year or so from a position where we had rough parity between Japanese and non-Japanese employees to a position today where we employ about five non-Japanese for every Japanese

Robins: There is much talk that international equity and bond market competition is growing increasingly fierce, and that major Japanese stockbroking houses have started sacrificing profitability to buy international

Kasui: That may be true in particular instances, but Daiwa has no intention of committing hara-kiri. Last year we managed 48 issues for sovereign and supranational horrowers, and sometimes we had to accept rather tough terms and conditions, but we never accepted them blindly. We always weighed the importance of any request against our own market forecasting. Sometimes we accepted tight terms because we expected market conditions to improve, and our forecasts then justified our

> Controlled domestic deregulation

Robins: Tokyo is now the world's second largest stockmarket. But the Tokyo Stock Exchange still maintains some restrictions and controls on membership and commissions. Do you see Tokyo following London's lead and sweeping all these restrictions

Kasuz Tokyo has been changing progressively for some time now, for example, we recently cut our commissions on deals valued at more than a billion yen by more than three quarters from 0.55 per cent to just 0.125 per cent. London, as perhaps the world's leading international financial centre, has been able to cope with a very sudden "Big Bang" Tokyo, which in a sense is still a more domestic marketplace, has not changed in such an abrupt fashion. But it is, nevertheless, adjusting rapidly in response to worldwide market developments.

We have discussed these matters with the British authorities, and pointed out to them that abolishing fixed commissions does not necessarily liberalise a market. We believe that

some sort of commission agreement is essential to the maintenance of good market discipline. We have a huge number of private invesors, and we believe that throwing our market completely open might expose them to chaos.

Robins: Some commentators believe that Japan's banks are dismayed by the fact its Japanese corporations are increasingly turning from bank finance to equity markets, and would like equality of occess.

Kasui: We have aleady opened our stockmarket to foreign banks, and we are moving very rapidly on this front-it was virtually impossible for a foreign bank to secure a securities trading licence before the middle of last year. Now any foreign bank can obtain a licence providing it accepts our 50/50 rule. But allowing Japanese banks along the same med would run directly counter to the spirit of Article 65, and might well destroy a delicate structure that owes much of its fundamental success to the fact that it does possess a protective framework.

Robins: Finally, when do you see world markets heading wough the rest of this decade, and how do you see Daiwa exploiting well market

Kasui: I see Daws growing gradually. We are very prible, possibly rather more flexial than our competitors, and we like w think that we possess a younger and more adven-turous outlook. We also believe that we give our staff more ponsibility, and allow them to use now initiative, that we are possibly less centralised than the other leading Japanese houses, and that this will help us steadily improve our perintiance.

We also take the view that we are very well placed to absorb the impact of any market setbacks it he present bull market levels out or stakens. We don't want the market in peak out, but we cannot say that it will not, and we must be ready at al unes. The average price earnings in Tokyo is now around 60, and ar squeeze on demand might lead into a progressive correction. We are prepara

Daiwa Securities Co. Ltd.

Tokyo Head Office: 6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo 100, Japan Tel: (03) 243-2111 Telex: J22411 Daiwa Europe Limited: Condor House, 14 St. Paul's Churchyard, London EC4M 8BD, U.K.
Tel: (01) 248-8080 Telax: 884121

Daiwa Europe Finance PLC: Level 19, City Tower, 40 Basinghall Street, London EC2V 5DE, U.K.
Tel: (01) 374-4525 Telex: 9419121

# · Westland Orders fail to save 1,155 jobs

MESITAND, the UK helicopter management, is to make 1,155 em-point tedundant at its assembly facing at Yeovil, Somerset, south-west England.

This announcement follows the Comment's decision, earlier this month, to order £300m worth of nelincipates, parity to help fill the com-pany's depleted order books.

The redundancies at Yeovil also come just over a month after West-

and said it wanted to make 925 emplayers redundant at its Weston-Super Mane factory, although the final figure is still being negotiated with the trade unions.

The latest job losses fall most heavily on technical grades at Yeo-beavily on technical grades at Yeo-vil, where 330 technical staff are to be made redundant. A total of 275 direct production staff, and 210 indioduction statt, will lose their jobs A further 340 jobs are to go in

The Ministry of Defence order last much was for 25 Anglo-Italian EHIOI belicopters, 16 Lynx and seven Sea King belicopters. The or-ders were insufficient to fill Westland's order book, because the EHISI orders will not be fullfilled for some year, leaving Westland with the small Lynx and Sea King orders to help mitigate the current shortfall in the order book. Tony Jackson writes: ICI is to create 150 jobs on Teesside, in

north-east England with the expansion of research laboratories at its Wilton petrochemicals complex. The group said the expansion, with a capital cost of £7.5m, was caused by growing demand from customers for research into projects involving plastics

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# Tax cuts set theme for Conservative manifesto

BY PETER RIDDELL, POLITICAL EDITOR

CUTS in income tax, more privatiship were yesterday promised by Mr Nigel Lawson, the Chancellor of the Exchequer, as further opinion polls pointed to a large Conservative lead, in the run-up to the general election.

He set out the central theme of next Tuesday's Conservative Party manifesto, "moving forward", as Mrs Margaret Thatcher warned against complacency at an end of a meeting of the party's backbench 1922 committee. The Prime Minister has been ad-

vised by senior colleagues not to talk again in the campaign, as she did in interviews last Monday, about seeking a fourth term since this risks alienating potential sup-porters by implying that she believes that a third term is hers by

would "set out in the clearest possible terms what we propose to do in

our third term." He outlined an agenda including a further reduction in "burden of income tax, with a basic rate of no more than 25p in the pound," pressing ahead with "a further major privatisation programme" and pushing "the bounda-ries of popular capitalism still fur-ster from other parties and would with even wider share owner-

June 11

"continue to make the defeat of in-metical equation at Westminster."

flation our first priority until we have eliminated it altogether." ● THE SDP/Liberal Alliance yes terday ruled out any deal with Ulster Unionists over the Anglo-Irish agreement in the event of a hung

Dr David Owen, the SDP leader, and Mr David Steel, the Liberal leader, visited Belfast on a whirlwind tour of four UK cities to explain the Alliance's major programme for constitutional changes. Dr Owen said both parties welcomed the Anglo-Irish agreement in an improved dialogue between London and Dublin which actually strengthened the United Kingdom.

Mr Steel said that while they from Unionists, there was no ques-The Government, he said, would scrapped because of "some arith-

# Tide flowing our way, says Lawson

TORY PARTY activists in Scotland the Exchequer, who replied to a development of the gloom and bate that had unstintingly lauded radical Conservative policies might uncertainty that has afflicted them

paign.

The party faithful arrived at the thanks yesterday which put them in second

his economic policy, gave a warning be unpopular but they were neces-

for months as their annual conferfor months as their annual conferthat victory in the general election
could not be taken for granted. "We
should never underestimate the opposition, they have advantages as
well as their manifest disabilities."
But he concluded: "Never underthat victory in the general election
could not be taken for granted. "We
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But he concluded: "Never underthat victory in the general election
could not be taken for granted."

This was just part of a warm-m

#### conference in good humour, thanks of ideas. No British government has land to a Mori opinion poll published ever been defeated unless and until the tide of ideas has turned against place to Labour in Scotland for the it. And far from turning, the tide of for tonight's rally where Mrs Mar first time in many months. irst time in many months. ideas that swept us into office is garet Thatcher will formally launch flowing even more strongly today." ideas that swept us into office is garet Thatcher will formally launch her election campaign. SAVES 50 HALF PRICE ADMISSION entry to the Show You pay only \$1.50 - just half price standard admission price. | FREE Show Catalogue and Investment Guide at the door | FREE Daily Seminars for all visitors. | Special one day Business Conference. | Relaxed informal atmosphere. | Scores of leading exhibitors. | OPENING TIMES: Thur 14th May 10am-5pm | ORIGINAL VOUCHER | ORIGINAL VOUCHER | Sat 16th May 10am-5pm | ACCEPTED | ACCEPTED | त्रहामात्रः SHOW ONLYTHE ORIGINAL VOUCHER OF ACCEPTED Show Management: FIE-Finance & Investment Events Ltd., 243-253 Mortlake Road, Richmond, Surrey TW9



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# **Jobless** total falls, but stays above 3m

THE GOVERNMENTS official unemployment total fell last month for the tenth successive month but still remained above the politically sensitive 3m mark.

Lord Young, Employment Secre-tary, hailed yesterday's figures as extremely good news" and said that no-one could ask for more evi-dence that the Government's economic policy was working. However, he faced a barrage of

criticism from opposition parties and an independent employment research group who unanimously asserted that the Government had massaged the figures downwards. They asserted that the fall in the total over the last year had largely been due to creative statistics and the Government's special employ-The seasonally adjusted total of

those eligible for memployment benefit fell by 19,600 last month to 3.020m while the unadjusted total, which includes school leavers, dropped 36,242 to 3,107m.
The Employment Department

yesterday said that the seasonally adjusted measure of unemploymen had fallen by an average of 23,300 each month for the past six months and Lord Young said that the strong downward trend continue

He hit out at claims that the Gov-ernment had "fiddled" the unemployment figures. Those whose only contribution to the debate on unemployment is to cast doubt on the figures should consider that there has been no change in the way the figures are compiled since March 1986, and this is well before the current downtrend started," he said. Lord Young made no mention yesterday of the impact of special employment measures on the count. Last month, however, he acknowledged that the impact on the

aimed at helping long-term unem-ployed find jobs, was difficult to quantify and therefore so too was the impact of faster economic Mr Jon Shields, director of Charter for Jobs, the employment pressure group, and a former senior Treasury forecaster, said that had it not been for statistical changes

made to the count since 1983 and

Government job programmes, the level would now be nearer 3.5m.

count of the Restart programme,

#### over-reliance on governments BY TERRY DODSWORTH AND DAVID THOMAS DISAGREEMENTS STRONG about whether European governments should support their domes-tic electronics manufacturers emerged at the second day of the FT's World Electronics Conference

Mr Henry Ergas, counsellor to the Organisation for Economic Cooperation and Development (OECD), argued that the poor per-formance of European electronics companies was because of their over-reliance on their governments for orders, investment, and re-search and development (R & D)

A new generation of managers in the European electronics industry was beginning to shape global was beginning to sample guident of strategies, but the commitment of some European governments to open markets, particularly in telecommunications, was often little more than rhetoric.

European electronics manufac-turers had performed badly compared with US and Japanese competitors since the early 1970s. The best figures available suggest-ed that they needed heavier amounts of investments and more workers to generate the same

amount of value added. Moreover, despite worries about declining US competitiveness, US productivity growth in electronics remained comfortably above the European average. The relative competitiveness of the European electronics industry had declined more rapidly than that of the rest of

European manufacturing.
This poor performance could not be explained in terms of the small size of European operations, either in terms of companies or markets though macro-economic factors such as higher labour costs, provided a partial explanation.

Sir James Blyth, managing director of plessey, said sales of telecommunications equipment were grow-ing most rapidly in markets where deregulation was most advanced, particularly if deregulation was accompanied by the removal of barriers to entry.

The US telecommunications mar-

ket was about to enter his main growth phase. In many European countries the benefits of growth might be delayed until the next century because of the cautious pace of deregulation.

Defence still represented a big growth opportunity for electronics

companies even though defence budgets were declining, because the

CONFERENCE

Electronics groups blamed for

World electronics

proportion of military sales going to electronics and soft ware compastrong plea for more financial aid from European governments, argu-ing that competitors in the US and Japan were receiving more gen-erous support. Mr Noels, one of the main architects of the recent merger between Thomson Semicondu tors and SGS of Italy, said that Europe had already begin to "get its act together" in semiconductor manufacturing.

quired at least as long as assistance is granted to our competitors in the

rest of the world."

Mr Noels said that an effective turing sector was essential because of the component needs of other industries, such as the automotive defence. Innovations in manufactment of the business. turing techniques were also freof new electronic systems, he said. Mr Michiyuki Uenohara, executive vice-president of NEC, argued panies in the world electronics invelopment from basic research to vices, was essential to this.

production technology, manufactur—

European companies we ing and marketing.

NEC, which is working on a tele-

Mr Peter Bonfield, ICL chairman, said that European governments were gradually proving more willing to allow foreign suppliers in-to areas of their markets which were previously closed. It was imperative that preparations such as open standards were completed before 1992, when trade barriers within Europe were due to be removed.

Users were becoming less interested in specific technologies for their own sake, and more worried about how their needs could be served by information technology

as a whole. The emergence of total communications networks, linking voice, deelectronics and soft ware compa-nies would continue to rise. Mr Jacques Noels, former head of Thomson Semiconductors, made a this transformation of attitudes.

For supplying industries, this resulted in the need to understand their customers' business requirements in detail. Substantial investment in training, and information systems within supplying companies was necessary. A key to bringing this about was decentralised responsibility for marketing within a

Mr Peter Keen, executive direc-Both the government-backed in-itiative behind the SGS-Thomson Information Technologies, said that merger and the pan-European funding programmes such as Esprit
were "encouraging" developments.
But the support of European governments would "continue to be re- several vendors - a trend that was partly based on user requirements for a mixture of integrated equip-

European semiconductor manufac- the formation of more strategic alliances, which would depend upon working together with supplie long-term plans that would link and telecommunications sectors, or vendors closely into the develop-

Mr Jacques Stern- chairman of quently based on the introduction Honeywell Bull, the new combined computer company, argued that building a truly European market was essential to the future success that the strengths of Japanese com- for European manufacturers. A common infrastructure, based on a dustry was related to their ability to shared regulatory system to allow forge a strong chain of product de international valued added ser-

European companies were suc cessfully co-operating in R&D. Their next step was to start co-opphone which interprets foreign lan-guages automatically, puts great ing. Companies' decision-making emphasis on giving product divi-sions the responsibility for develop-which were still old-fashioned and ing marketable products, while con- hierarchical, had to catch up with centrating central group efforts on increased power of information the main technologies of the future.

**Plessey** 

research

success

By Terry Dodsworth

PLESSEY, the UK electronics group, announced yesterday that it had made a successful entry into

superconducting materials, re-

garded by many scientists as the

most significant area of current re-

search in the electrical and elec-

# **Monopolies Commission may** investigate credit card industry

credit card industry to the Monopo- was still in an early stage. lies and Mergers Commission for

opolistic practices.

It concluded that both Barclay-ard and Access, the UK's two macard and Access, the UK's two major credit cards, had a monopoly and recommended the abolition of the "no discrimination clause" which prevents retailers from quoting different prices for credit card

The new investigation would take an investigation into possible mon-place against a background of much polistic practices. change in the industry. Most stri-The OFT yesterday refused to king is the row between the retailconfirm that such a reference was ers and Barclays over the charges for its new Connect debit card, the ing sources agreed that it was on first in a generation of cards which the cards, though they argued they are expected to pave the way for electronic cashless shopping.

The investigation would be the Other important changes in the second by the commission into the industry are: the fast growth of the credit card industry in the last 10 market; the appearance of retailers years. The first, which was finished as major issuers of credit cards; the in 1980 after two years, was con- new freedom of building societies to fined to the relationship between issue them; and moves by the clear-credit card companies and retailers. ing banks to set up a national sys-

investigation are not known, but they are likely to be much wider than in the earlier one. In particular, it is expected to look at the relationship between credit card com-

THE OFFICE of Fair Trading The Government, however, took retailers. There has been concern (OFT) is expected to refer the UK no action arguing that the industry that consumers are being charged an interest rate which is too high, The banks are also pressi The banks are also pressing for the new investigation to include all issuers of plastic cards, not just

One senior clearing banker, who preferred not to be named, said he approached the prospect of an intigation with a clear conscience. Mr John Lee, chief executive of Midland Access, said he had noth-

ing to fear. Both, however, were concerned that an investigation would absorb a great deal of time and would distract from the running of their businesses. They also felt the timing was had, as so much was happening

in the industry. It was not known last night what if any, connection the investigation would have with the review into electronic banking, which was initiated by the Government earlier

not therefore a general purpose

Mr Davis Huemer, Airplus' chief

executive, argued that the card had to provide the businessman with a

wider service than just air travel

Scientists at the group's Caswell laboratory in the Midlands last week demonstrated superconductivity, a process which allows electrical currents to travel down cables with no power loss, at temperatures that would be suitable for commercial applications.

tronic industries.

The group expected to step up its sent in the programme, from a "generous six figure sum" this year to seven figures in 1988. Plessey was also seeking to step up the scale of its programme by collaborative ventures, including work with Warwick and Oxford universities,

The attraction of superconducting materials is that they set up no resistance to electrical currents, a property that could yield enormous gains in areas such as the trans-mission of electrical power, or in developing much faster switching systems. Superconducting materials, however, only work at very low temperatures, and the current re-search effort is aimed at finding ceramic material formulas that would allow them to operate at closer to room temperature.

Several large multi-national groups have recently announced big breakthroughs, claiming to have demonstrated super conduc-+17 degrees C.

# Airlines back charge card

BY FINANCIAL TIMES REPORTER

extended to other European countries in the next few weeks.

the company is aiming to have be accepted in 13,000 outlets around 100,000 cards in issue with a turnover of Ecu 315m in the first year, Europe and the US, though this figuration of Ecu 225hn in five years, in two years.

Living to 100,000 plus cards with a transver of Ecu 225hn in five years, in two years. Airplus is also hoping to increase

It will be used mainly for car ren-card will vary from country to country

A CHARGE CARD, simed at the lines, both in Europe and outside. as well as airline ticket sales. It is business traveller and backed by 13 JAL, Quantas, Air New Zealand, leading European airlines, is being Pan Am and airlines from Latin launched in the UK today. It is to be

America and the Middle East have made inquiries about joining.

tries in the next few weeks.

The new card, called Airplus, is an amitious attempt to take a small but important sector of the plastic which are shareholders. People will card business from American Ex- not receive their cards until June. press, Diners Club, Visa and Mas-tercard, the established card issu-business traveller. Initially, it will

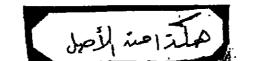
want or need an all-purpose card." Airphis will be selling itself to usinesses on the basis that it offers greater control over travel expenses. As well as being limited in its scope, its monthly statements to

charge card.

but that "the busine

clients will provide details of the individual businessman's itinerary. The cost of having an Airphus

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David Lascelles looks at a detailed analysis of the British banking sector

# Banks receive a clean bill of health

THE UK banking industry is in as fail, therefore, has never been made good a state of health as it has been available before, particularly on the for many years, judging by an anal-Accepting Houses Committee ysis published today in the Bank of

England's annual report.
By almost every major measure. including profitability and capital strength, the country's leading clearing and merchant banks are

on an upward trend.

curred in investment banking and says that these banks "are expe securities operations can significantly damage the earnings of even 1986. the largest institutions," the Bank
. More important, though, as a cautions, "and will need to be very measure of performance, the banks carefully controlled by the more are earning better returns on their modestly capitalised houses."

has published such a detailed anal. most widely used measure) was 15.8 ysis of the UK banking industry's per cent last year, up from 8.5 per balance sheets and profit and loss cent in 1984, when it hit its lowest

bank's published accounts for some 1984. time, the information is culled from . Despite all the changes in the banks file with the Bank. Some de-earn the bulk of their income (about there is still room for greater

(AHC) - trading association - only a portion of whose 16 merchant bank members publish their true profits Over the last five years, UK

banks have almost doubled their profits. Last year, the clearing The only note of caution comes with a warning about risks arising fore tax, up from £1.88bn in 1982. In from last year's Big Bang (deregulation) and the bank's entry into the securities business. "It is clear that trading losses in- up from £210m in 1982. The report to produce stil better results in

capital. The post-tax return of equi-This is the first time the Bank ty achieved by the clearers (now the point this decade. The AHC mem-

the information is culled from Despite all the changes in the pared to international margins of confidential reports which banking business, the clearers still 1.96 per cent. This confirms that

	BRITIS	H BANK	FINANCE:	В	
	1986	1985	1984	1963	1982
Pre-tax profits					
(Ebu)	3.8	3.25	2.48	2.22	1.98
Clearers				0.23	0.21
AHC*	na	0.37	0.26	V.23	0.21
Post-tax return					
on equity %					
Clearers	15.8	13,2	8.5	10.9	12.5
AHC	71.0	16,2	11.9	11.7	13.7
Total Capital					
(£bn)	32.83	28,00	22.87	29.81	17.63

75 per cent) from net interest (tak-ing in money and re-lending it). But foreign exchange trading, fees and

clearers' domestic lending business is nearly three times as profitable Although much of it confirms bers did slightly better, earning 16.2 as their international business. trends that have been evident from per cent in 1985, and 11.9 per cent in Last year, the interest margin on Last year, the interest margin on UK lending was 5.49 per cent, com-

For AHC members, the boom ss, not surprisingly, has been corporate finance. Last year, the merchant banks earned fees and ranging mergers and acquisitions, underwriting new issues and sup-plying advice. This amounted to nearly half of their total £954m income. But they also lost a total of tive securities markets that have emerged because of deregulation.

What makes rising profits particularly encouraging from the Bank of England's point of view is that banks have also been strengthening earnings and raising fresh capital through rights issues and sales of perpetual bonds.

measure which relates the riskiness of banks' assets to the amount of capital they have) rose to 10.5 per cent last year, up more than a third from 7.6 per cent in 1984 when bank reserves were hit by severe tax changes in the budget. The AHC members have higher ratios, re-flecting the riskier nature of their business. They were at 12.3 per cent in 1988, up from 8.7 per cent in 1984.

The Bank cautions, however, that there is no reason for complacency because banks are taking on off-balance sheet risks which are not included in the ratio calculations Also, banks are exposed to heavily indebted Third World countries though they have been increasing

# A growth rate of 3% forecast for economy

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

prospects have improved in recent Britain's economic performance to growth rate of the broad measures months, and the signs are that the conomy will continue to grow at an This could be accepted because its annual rate of 3 per cent, or slightly more, at least for the next year, the by lower oil prices.

Bank of England said yesterday. In its latest Quarterly Bulletin, the Bank says that industry has reacted strongly to last year's deval- ant demand" in the home market. uation of the pound, boosting ex- and further export growth. ports and taking a bigger share of the domestic market. The deficit on the current account may turn out to recent months has reversed as be less than the £2.5bn forecast by much as half of the competitive the Treasury in the March Budget; while, in the short term at least, inflationary pressures should remain

The Bulletin tempers its relative- interest rates which benefit the corly optimistic tone, however, with a porate sector. warning that sustainable growth may be threatened by deteriorating termination to prevent sterling world economic outlook. Outside from rising further against other the UK growth has been disappoint- major currencies. The Bank is being, while continuing large trade lieved to consider that any further imbalances risk increasing trade rise in sterling's value could serifriction and renewed instability on

foreign exchange markets. "Continued UK growth at its recent relatively high level depends on confidence in the expansion of be prepared to accept some depreworld activity," the Bank says. And, ciation against other major currenif Britain continued to grow faster cies, while it would resist any move than the rest of the world, there upwards. In the short-term and, in would be a risk of increasing import particular, during the general elec-

encouraging features of the domes-rather than further cuts in interest tic economy. Increases in wages are rates.

inflationary impact was neutralised

Recent trade figures and survey evidence suggest "a growing re-sponse of domestic output to buoy-

The Bulletin acknowledges, however, that sterling appreciation over gains from the pound's devaluation between late 1985 and the end of 1986. The impact on industry has been only partially offset by falls in

That explains the authorities' deously damage industrial confidence. putting into reverse the favourable trends of recent months.

In those circumstances, it would renetration. tion campaign, this resistance is likely to be focused on intervention,

BRITAIN'S IMMEDIATE economic \_ The Bank dates the turn round in markets and the spurt in the of the money supply as a result of exchange market intervention.

Most, if not all, of the intervention will eventually be neutralised by sales of government debt. That, however, is likely to take some

between Japan and US are unlikely to diminish substantially over the next two years, despite adjustments in trade volumes flowing from the dollar's devaluation, the Bank says.

In its latest forecast of the world economic outlook the Bank states that the US current account deficit is likely to remain at around \$125bn (£208bn) in 1989, a fall of only \$15bn from last year.

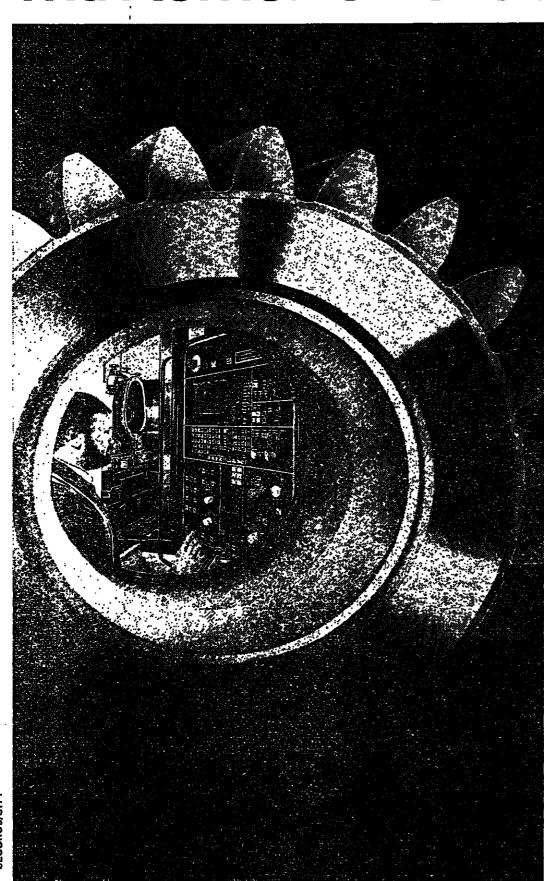
The Japanese current account surplus will stay close to its current levels of \$85bn. By contrast, the German surplus is projected to show a marked reduction from \$37bp in 1986 to about \$15bn in

Visible adjustments in trade volumes, apparent since the dollar's devaluation and which are expected to continue, are masked by the sheer size of the initial disparities between exports and imports to both the US and Japan.

The Bank adds that the persistence of these imbalances empha sises the importance of maintaining sufficient capital flows to allow the still far outstripping price rises, The Bulletin makes it clear that US deficit to continue to be fi-particularly in the public sector, the Bank is still concerned about nanced without disruption on finan-and investment growth is sluggish.

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# Components manufacturers will benefit by rise in car output

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S motor component companies will benefit from the expected steep increase in UK car assembly only if the vehicles have an 80 per cent home content, according to Garyl Rhys, professor of motor industry economics at University Collage, Cardiff, South Wales and adviser to the House of Commons Trade and Industry committee.

While many of the extra cars to be built in Britain in the early 1990s - perhaps 225,000 - will have this level of UK content, a similar number will not, he writes in a paper prepared for the committee's inquiry into the motor components sec-

Professor Rhys also warns that Ford the core of the UK component industry, the 100 companies which provide 80 per cent of the output and employment, need the present level of business from the commercial vehicle and agricultural tractor

companies.

The demise of General Motors' Bedford truck operations, and the mergers of Leyland with Daf of the Netherlands and Ford's truck business with Iveco, the Fiat subsidiary, will reduce demand for componer and transfer design authority overseas, he writes. "Unless the Government is robust

in monitoring events, it is likely that the component producers' business with the commercial vehicle makers will decline," he states.

tion of local content can partly un- last year). lermine the impact of the recovery

He recalls that car companies UK car assembly could rise, from

Bedford Midi Rover 213

**Bedford Resca** Rover 800 2-litre rd-Daf Freight Rover Leyland Trucks † Diesel version 50% † By 1989 could be 65%

UK CONTENT OF BRITISH VEHICLES

(as % of ex-factory price) 1987

Notes: The West German content of Vauxhall cars is 35 per cent. The precise UK content depends on the exthe £. for example, the UK content in

The exact figure for Ford depends on the source of engines and trans-

Some foreign assembled vehicles use UK-made components. Hence, foreign assembled Ford cars will have a UK content of about 5 to 10 per cent

Apart from the Volvo 200-series, with 14 per cent UK content and the Volvo 700-series with about 8 per cent UK content, no other imported cars have a UK content of as much as 5 per cent of the ex-works cost. This applies to Vauxhall Novas and Carltons, Peugeot 205s and Nissan Cher-ries as much as to Volkswagen, Fiat, Mercedes, BMW and Renault cars.

68–72% in 1991)

depending on the precise specifical

and Astras have a UK content - but

Source: Prof Garyl Bhys.

He continues: The whole ques- reach at least 500,000 (from 405,000

The figures should be treated with caution, he writes and "in practical terms, the recovery of car outhave indicated to the commit that put will help the larger component companies only if the ex-works valcompanies only if the ex-works varius over in last year, by an extra use of thesds extra cars is over 80 cle is around 80 per cent then only 250,000 by 1989 and 475,000 by 1991, per cent. Only then will sophisticatexcluding any contribution from ed, high technology, high value Austin Rover, whose output could -added items related to power train sourced.

(engines, gearboxe etc) and suspension be bought. A local content figbusiness and mainly for simpler.

lower value products. In general terms, he stresses, if the UK ex-works content of a vehi-

# Investments lift hope for more iobs in Ulster

By Our Belfast Correspondent INDUSTRIAL investment in Nor

thern Ireland recovered last year, reaching £311m and bringing the prospect of £,187 new jobs, according to the Northern Ireland Industrial Development Board (IDB). The state agency's results for 1988-87 showed an encouraging

swing back from the prevous year when investment slumped to £200m with only 2,900 jobs promoted by its The IDB still has problems in attracting new projects from over-seas. Only seven companies - from

the UK mainland, Europe, Scandin-avia and the Far East - decided to open plants, with a total of 415 jobs. Mr John McAllister, chief execu tive, said the first-time projects de-monstrated that despite the diffi-culty of Northern Ireland's image abroad, it was still possible to se cure investment on the strength of the business opportunities which existed in the province. The agency would continue to put effort into increasing the flow of overseas in

vestment. Companies operating in Ulster but which have headquarters outside the province, showed a readiness to reinvest and expand. They accounted for £237m of the invest ment and 3,855 jobs. The IDB provides a package of grants and assis tance to new and expanding compa-nies and contributed £109m or 35 per cent of the total investm

# Tighter sales methods urged in New Towns

PAUL CHEESERIGHT, PROPERTY CORRESPONDENT THE DEPARTMENT of Environ-

the disposal of public assets in the cut delay. There should be tight English New Towns, the public accounts committee of the House of buyers, it said. Commons has said.

sales could amount to £2bn.

In a report published yesterday, the committee broadly endorsed lusions reached last year by the National Audit Office.

It told the DoE that a forward disment (DoE) should ensure that tigh-posals strategy with clear objec-ter sales procedures are used for tives should be implemented with-

The committee was concerned These disposals are being carried about weaknesses in the proceout by development corporations in dures of the development corporasix towns, and by the Commission tions and the Commission, such as for the New Towns in nother 21. variable documentation, an almost The programme of disp sals has so complete absence of audit examination and inadequate review by senior management

It insisted that "assets for disposal should be exposed to the market unless there are compelling reasons to the contrary."

NOTICE TO SHAREHOLDERS

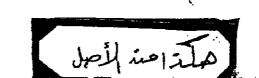
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Registration Number 68/01239/06
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Approval has been granted by The Johannesburg Stock Exchange for the transfer of the listing of the company's shares from the "Financial - Property" section to the "Mining Financial - Mining Holdings" section from Monday, 18 May 1987. The abbreviated name of RM Props will continue to be used for the price board.

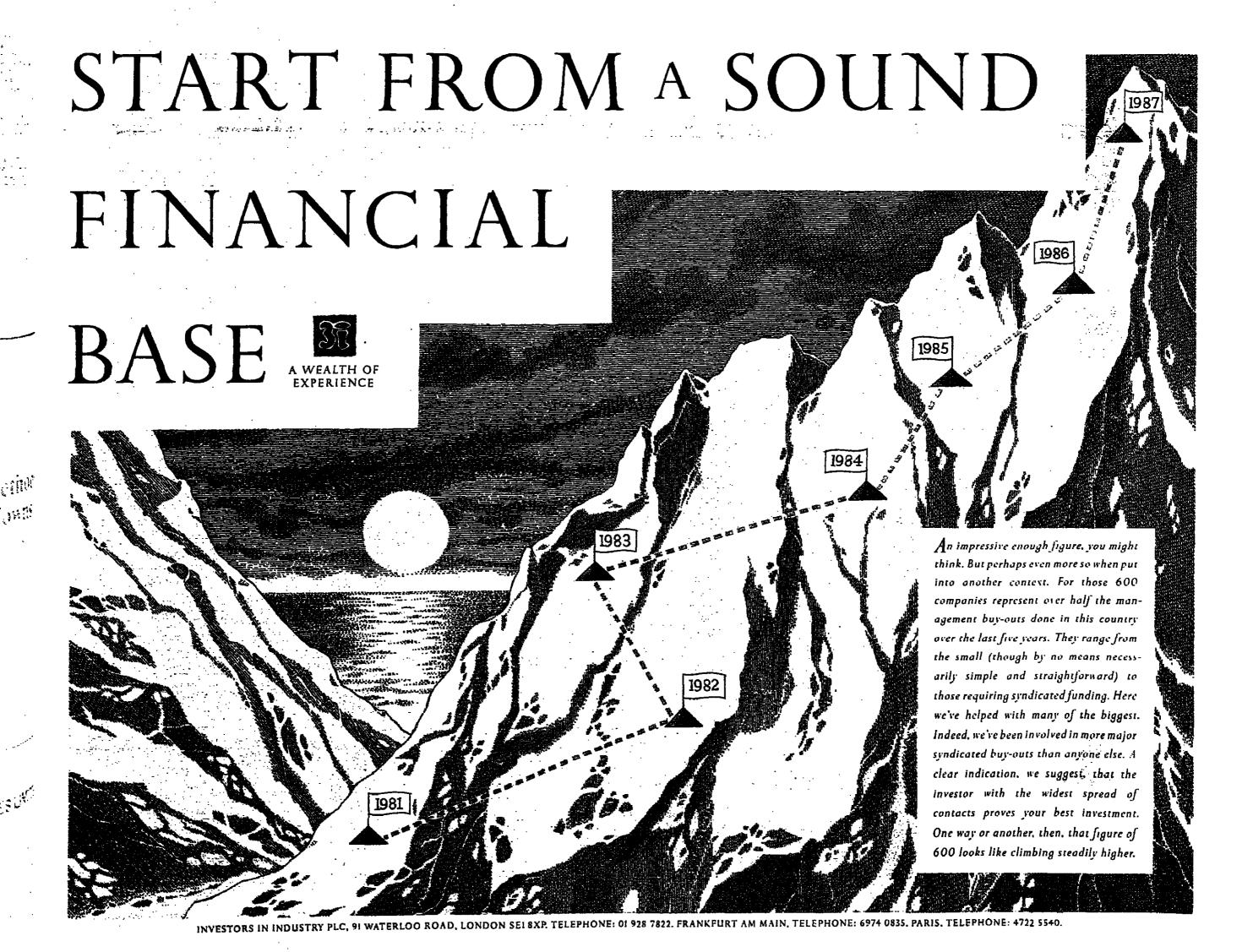
15 May 1987

By order of the board AF Sing, Acting Secretary



3%

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#### NOTICE

to the holders of the outstanding £15,000,000 61/4 per cent. Convertible Bonds 1996. of the Issuer ("the Bonds") of the EARLY REDEMPTION ON 30th JUNE 1987 of all the Bonds of the Issuer

Conversion Right Expiry Date: 30th June, 1987 Redemption Date: 30th June, 1987

NOTICE IS HEREBY GIVEN to the holders of the Bonds ("the Bondholders") that, pursuant to and in accordance with the Terms and Conditions endorsed on the Bonds ("the Conditions"), the Issuer will on 30th June, 1987 ("the Redemption Date") redeem all of the Bonds then outstanding and not previously converted into Ordinary Shares of Kyowa Hakko Kogyo Co. Ltd. The Bonds will be redeemed at a price equal to 102 per cent. of the principal amount, together with interest accrued to such date.

Bonds may be converted into Ordinary Shares of the Issuer at the Conversion Price of 399.10 Japanese Yen per Ordinary Share, which using the fixed exchange rate specified in the Conditions of 445.40 Japanese Yen = £1 results in a conversion rate of 1,116 Ordinary Shares for each £1,000 principal amount of Bonds. On 12th May, 1987, the closing price of the Shares on the Tokyo Stock Exchange was 2,140 Japanese Yen per Share. As provided in the Conditions, any Bondholder who wishes to exercise his right to convert must complete, execute and lodge, together with the Bonds and all unmatured Coupons concerned, a Notice of Conversion with any specified office of a Conversion Agent, as set out below, at any time up to the close of business on 30th June, 1987, when the conversion rights attaching to the Bonds will terminate.

On redemption, payments of principal and accrued interest will be made in accordance with Condition 10 of the Bonds, against surrender of the Bonds and Coupons at the specified office of any of the Paying Agents listed below. Each Bond should be presented for redemption together with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon will be deducted from the sum due for payment on the redemption date. Any amount so deducted shall be paid in the manner mentioned above against surrender of the relative missing Coupon at any time following such deduction but before the expiry of the period of five years next following the Interest Payment Date specified on the face of such Coupon.

Value of the Ordinary Shares into which each £1,000 principal amount of Boods is convertible based on the Current Market Price of the Ordinary Shares on the Tokyo Stock Exchange on 12th May, 1987, (converted into £ at the rate of exchange on 12th May, 1987 i.e. 232.21 Japanese Yen at £1) of £9.21 per Ordinary Share £10.284 82.

Redemption Price (including coupon payments on 30th June, 1987) for each £1,000 principal amount of Bonds £1,051.25.

The attention of Bondholders is drawn to the Conditions and, in particular to Conditions 5, 8 and 10 which contain further details regarding conversion, redemption and payments.

PRINCIPAL PAYING AND CONVERSION AGENT The Industrial Bank of Japan, Limited, 14. Walbrook, London EC4N SER.

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The Dei-Ichi Kangyo Bank, Limited, 5th Floc. P & O Building, Leadenhall Street, London EC3V 4FA.

The Mitsubishi Trust and Banking Corporation, 8/13 King William Street, London, EC4P 4HS.

J. Henry Schroder Wegg & Co. Limited, 120, Cheapside, London EC2V 6DS.

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# WORLD GAS INDUSTRY

# Algeria is forced to adopt a more flexible approach to gas prices

SY FRANCIS GHILES AND JAMES BALL

lating with Panhandle Eastern
Company, of the US, the most
lexible contract yet for
quefied natural gas (LNG).
Since the late 1970s Algeria
tas been noted for its hard
tegotiating tactics and its unwillingness to concede to
narket pressures.
The Panhandle contract folties a series of competitively

ws a series of competitively riced spot LNG sales to Euroean customers last autumn. lowever, this newly-found larketing flexibility appears to oply only to new business and of to existing contracts.

#### ALGERIA NATURAL **GAS PRICES FOR** EUROPE

(Estimated S per metu) 1-4-87 1-1-87

1.82-2.85 3.65 1.86 2.35-7.62 Source: International Gas Report April 24 1957

Algeria relies on hydrocar-ons for 98 per cent of its aport earnings, with natural as contributing about 33 per ent. Falling energy prices ave put the country under ressure to become more re-

aid for only if and when a sence in key gas export mar-emand for the gas exists. kets.

Tricing is to be based on what he market will bear, subject prevailed for gas producers in

pean gas customers by selling Algeria. spot cargoes of LNG priced competitively against Soviet supplies of natural gas piped from Siberia.

The new contract terms negotiated with Italy included concessions on flexibility of delivery and price indexing which the Algerians had steadfastly resisted since 1979. However, negotiations between Algeria and France and Belgium, its most important LNG customers,

In the LNG business, spot cargoes are rare and the revenue from such sales is insignificant compared with that from contract sales.

Algeria's spot LNG sales are now seen by many observers as exceptional. The protracted renegotiations between Sona-trach and Gaz de France suggest that Algeria's willingness to compromise on long-term LNG contracts remains limited, 1.26 LNG co 2.66 so far. 2.92 Furth Furthermore

numerous bankers and counter-trade brokers have been invited to arrange spot barter trade LNG deals for Algeria, none has yet been arranged, and the tight-knit nature of the LNG business makes such an event unlikely. This means that for Algeria. This is provisional, Algeria cannot rely on spot and once Gaz de France and business to boost gas revenues. Last year Sonatrach's foreign

ressure to become more reponsive to its customers'
lemands.

The Panhandle contract
llows for LNG to be lifted and

maintain, if not increase, its pre-

emand for the gas exists.

ricing is to be based on what he market will bear, subject to a minimum price which would recover only the marginal cost of the operation ather than full capital costs. Titherto the Algerians have insisted that prices must reflect the full cost of extraction, including capital charges.

Last autumn, Algeria's oll and gas monopoly Sonatrach, had already surprised its European gas customers by selling the sellers' market which prevailed for gas producers in the sellers' market which prevailed for gas producers in the early 1980s, Algeria secured from its principal buyers the highest gas prices in Europe, and the most inflexible delivery terms. However, the greater fexibility and more market in 1984 and new Norwegian terms, allowed these suppliers to pain gas customers by selling

The collapse in oil prices last year added to Sonatrach's woes because its pricing formula, so

Spanish state company, Enagas, offered an amended formula.

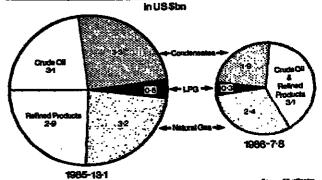
However, the resulting April I 1986 price for Algerian gas sales, which was \$3.18 per lm. British thermal units (Btu), nevertheless continued to fall reaching a low of \$1.76 at the turn of the year.

From April I the price will rise slightly, to reflect the farst-quarter rise in the crude oil price, but it is likely to remain below \$2 per 1m Btu

ALGERIA, the second largest liquefied natural gas exporter spot sales followed closely on after Indonesia, has abandoned its traditionally rigid pricing policy for a more market-sensitive approach—but only for new customers.

Late last month the country surprised observers by negotiating with Panhandle Eastern Lompany, of the US, the most

# Algeria's Hydrocarbon Exports



and once Gaz de France and Sonatrach agree new terms, it will be amended retroactively to January 1 1987. Enagas is believed to be paying \$1.95 per

Sonatrach's negotiations with Gaz de France, its largest LNG customer (SNAM is its biggest distributor as all the contract gas Italy imports travels through the Trans-Mediter-ranean pipeline) are crucial for its dealings with Distrigaz and Enegas.

Gaz de France is believed to be seeking two principal concessions from Sonatrach. One is greater flexibility of delivery, which would allow it to alter the principal content of the principal conte its annual take within certain

The other is the replacement of crude oil price indexing by the type of end-market indexthis volume by 80 per cent at about the turn of the century—a gesture widely seen as a con-

cession to Algerian trade aims. The French have made it clear that extra Algerian gas will not be bought on less favourable price and delivery terms. Furthermore, just as Troll begins to come on stream in 1993, Algerian LNG contracts with France begin to expire. Whether or not they are renewed, let alone increased, will depend to a large measure, on whether Sonatrach agrees to compete in a more market-

Sonatrach privately claims that it will give new customers better terms than existing buyers. However, it remains to be seen how long will it be be-fore Algeria adopts, for Europe, ing which Gaz de France enjoys fore Algeria adopts, for Eur with its Dutch, Soviet and the new market strategy it newer Norwegian contracts. now spelled out for the US. the new market strategy it has

# SPONSORED SECURITIES

				Gross	Ylaid	
Hig	h Lov	v Company	Price Change	div.(p)	7	P/E
161	133	Ass. Brit. Ind. Ordinary	158 —	7.3	4.6	9.7
163	145	Ass. Brit. Ind. CULS ,	163 —	10.0	6.1	_
38	34	Armitage and Rhodes	37 —	4.2	11.4	5.2
80	67		76 —	1.4	1.8	18.1
230	215		229	4,6	2.0	26.0
147	95	Bray Technologies	147xd —	4.7	3.2	11.8
137	130		137 —	29	21	9.7
102	99		102	15.7	15.4	= 1
139	136	Carborundum Ordinary	139xdc +1	5.4	3.8	12.1
94	91	Carborundum 7.5pc Pf	94 —	10.7	11.4	·
97	87	George Blair	97 +1	3,7	3.8	2.5
143	119	lais Group	120 —	18.3	_	<u> </u>
125	119	Jackson Group	125 —	6.1	4.9	8.5
376	321	James Burrough	375 +3	17.0	4.5	10.5
94	86	James Burrough Spc Pf	84		13,7	
780	580		580xd 20			23.0
410	351	Record Rideway Ordinary	410 +2	1.4	_	8.3
86	83	Record Ridgway 10pc Pf	86 —	14.1	16.4	
91	81	Robert Jenkins	81 -1	_		3.6
91	42	Scruttons	8i —	_	_	
159	141	Torday and Carlisle	159 +1	5.7	3.6	9.6
332	321	Trevien Holdings	330 —	7.9	2.4	6.9 l
91	73	Unitock Holdings (SE)	88 —	2.8	3,2	16.2
145	115		144 +1	5.0	3.4	13,8
196	190	W. S. Yestes	190xd —	17.4	9.2	19.0
116	96	West Yorks, Ind. Hosp. (USM)	110	5.6	5.1	15.7
	Granville & Company Limited Granville Davies Coleman Limited					
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in all respects with the existing Ordinary Shares
SHARE CAPITAL Issued and to be

in all respects with the existing Ordinary Shares

SHARE CAPITAL Issued and to be issued fully paid 2,500,000 Ordinary Shares of 10p each £2,000,000

The Company's principal activity is to carry on the business of an Investment trust company.

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#### COMMERZBANK OVERSEAS FINANCE N.V. U.S.\$ 100,000,000

Floating Rate Notes Due 1993

In accordance with the provisions of the Notes notice is hereby given that for the three months period from May 6, 1987 to August 6, 1987 the Notes will carry an interest rate of 71/4% per armum with a coupon amount of U.S.\$ 185.28 on U.S.\$ 10,000. and U.S.\$ 4.631.94 on U.S.\$ 250,000 .-.

**COMMERZBANK** 

Frankfurt/Main, May 1987

# Company Notice

SOCIETE GENERALE DE BELGIQUE RALE MAATSCHAPPI

YAN BELGIE 1986 Dividenda

Dividends, net of withholding tax, of BEF 110 on ordinary "pert de risserve" shares and BEF 187,55 on AFV "part de risserve" shares will be paid from 19 May 1987 at any of the following benks, against remittance of coupon No. 19 from the 16,588,676 ordinary "part de risserve" shares and the 5,171,70 AFV "part de risserve" shares. A net dividend of BEF 55 will be paid against crossed coupon No. 19 from the 2,231,037 new ordinary shares issued with right to dividend as of 1 July 1986.

Belgium: Générale de Banque-Generale Bank Banque Balgo-Zairoles (Belgolaise) Unitsed States of America: European-American Bank and Trust

Company EAB Plaza, New York, NY 11555 France: Gánáraie de Banque Belge (France) 12. rue Voiney, F 75002 Paris Sociétá Générale 50. boulevard Hausemann, F 75009 Paris

United Kingdom: Banque Belge Limited 4, Bishopegste, London EC2N 4AD

Luxembourg:
Banque Générale du Luxembourg
14. nue Aldringen, Luxembourg
Federal Republic of Germany:
Georale Bank & Co.
Zeughauserrass & 14-22, Postlach
10 0204, D 5000 Köln 1

Switzerland: Crédit Suisse 8 Paradapiatz, CH 8001 Zurich Swiss Bank Corporation Swiss Bank Corporation 1 Asschenvorstadt, CH 4051 Bâle Union Bank of Switzerland 45 Bahnhofstraese, CH 8001 Zurich

# Legal Notices

NOTICE TO CREDITORS
OF PAYMENT OF DIVIDEND
IN THE MATTER OF
DELIXE TRAVELS (LONDON) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1985

A first dividend of 25p in the £ was declared for payment on 6 April 1987 to the unsecured craditors of the above-named company. Greditors whose names are mentioned in the Statement of Affairs but who have still not proved their debt or notified their present address are informed to do so by 22 May 1987 otherwise they will be excluded from this dividend. 6th May 1987

S. K. SINGLA, FCA Liquidator

IN THE MATTER OF INSOLVENCY ACT 1986 and HIMTEAME LIMITED

T/A DELHI DURBAR RESTAURANT

NOTICE IS HEREBY GIVEN QUISUANT to Section 98 of the Insolvency Act 1985 that a Meeting of the Creditors of the above-named Company will be seld at the offices of Single and Company, 35 New Broad Street, London EC2M 1NH, on Tuesday. May 28th, 1987, at 2.30 pm for the purposes mentioned in Sections 99 to 101 of the said Act. A list of the names and addresses of the Company's Creditors may be inspected free of charge at the offices of Single and Company, 35 New Broad Street, London EC2M 1NH, between 10 am and 5 pm on Friday and Mondey, May 22nd and 25th, respectively.

Datad this 11th day of May 1987

By Order of the Beard

Captain M. Amean Director

Art Galleries PARKER GALLERY, 122-12b, Berkel Street, London W1X SAD (opposi-Mayfair Hotel). 01-499 5908.

# Fortune Building Aspects of the Gold/Growth Curve

A major international publication stating that gold is "just for fools" asked recently: "Who is going to buy this year's extra 100 tons of production? "The answer was on the same page in an article about "Jisters" resulting from stepped-up supercomputer competition. Cray Research fell \$20 because of the competitive scare. But Indigo says the whole market will now expand with Control Data, Cray and Honeywell surging ahead. Technologies needed an extra 100 tons of gold for interconnection as long ago as 1982. And now growth rates are accelerating at a time when seven years of dishoarding have run their course with the asset stabilizers back in the market looking for their normal 500 tons per annum. Upon receipt of the accompanying coupon we'll be happy to send you compilmentary reports on such growth-related subjects.



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# MANAGEMENT

BOB BAUMAN, chairman of Beecham, is not at first sight everyone's idea of the millioneveryone's idea of the million-dollar-a-year American indus-trial boss. He has a diffident, almost gawky manner, and looks a good deal younger than his 57 years. He has written a gardening book called "Plants as Pets," with chapters headed Playing With Your Pets and Furnishing Your Plant Pet's Living Quarters.

He is less of an anomaly at closer range, His apparent un-assertiveness turns out to be merely good manners, his youthfulness, the result of American tryle healthy living. And, plant freak or not, he comes across as a professional

May to be

manager by lifeling inclination.

Bauman, who was hired by
Beecham last summer nine
months after the dramatic dismonths after the dramack dis-missal of his predecessor Sir-Ronald Halstead, has a career which ranges from selling Maxwell House coffee to run-ning an aero engine manufac-turer. The one thing he lacks is previous direct experience of pharmacenticals—the business pharmaceuticals—the dustoest generally seen as crucial to Beecham's full recovery from the corporate sickbed.

Though Bauman is evidently still feeling his way towards a detailed knowledge of the drug

industry, he is clear on its strategic importance. "I like the balance of the group the way it is—60 per cent pharmaceutical and 40 per cent not. If it drives to the content of the strategic in the content of the strategic industry." further up that scale—though not all the way—that'd be fine." Beecham has a wide spread of business from ethical (prescription) drugs through over-the-counter (OTC) medicines to toothpaste and shampoo. It is a range whose logic most drug companies would envy, particularly since the industry—the odd maverick like Glaxo apart -tends to see ethical drugs as too risky a business on which

too risky a business on which to be wholly dependent.

"I feel it's a very distinct plus for Beecham being in both ethical and OTC products, and some personal care too," Bauman says. "My feeling is that there are two pressures on the drug industry — pricing, as countries try to keep their health care costs down, and the increased time it takes to get through the regulatory prothrough the regulatory pro-cesses. I think these things are causing a lot of people in the industry to look carefully

at their positions.

"Ethical drugs have priority, since they're the starting point for a lot of what we're trying a career which looked set to be to do. But OTC is a very that of the typical corporation important part of our business.

One way of keeping costs down as a general management that the starting that the one way or keeping coars down as a general management to move from ethical drugs trainee, and went on up various to OTC, where you can allow stepping stones in product competition to set prices, management, such as head of Ethical drugs are less cyclical, but with OTC you're more in Maxwell House coffee in the control of your own destiny, US.



# healthy balance

After nearly a year in the hot seat, the chairman of Beecham explains to Tony Jackson his priorities for the UK pharmaceuticals group

especially in marketing."

Despite the range of Bauman's experience, he comes Bauman's experience, he comes over as primarily a marketing man. Born in the suburbs of Cleveland, Ohio, the son of a motor engineer, he trained as a student in accounting and economics, followed by an MBA from Harvard Business School "I'd been pretty sure I

wanted to go into business even as I went to college," he says. From his student days, he claims, he wanted an international career. When first seeking a job, he stipulated to companies interviewing him that before joining them he would take three months off in Europe. "If they wouldn't accept that, I reckoned they weren't too progressive."

Sales were around \$400m, which in 1968-71 was a pretty

research and development.

That covered basic food research, new products and so on. Size and orientation were different from that of a company like Beecham, and the time frames were different. But in my opinion there are a lot of similarities between basic research in food and pharmaceuticals, and the system of trials and regulatory approvals isn't that different."

Another piece of relevant abrupt change of direction, he left to become chairman of Avco, the US aerospace and financial group, having decided that the probabilities of become the probabilities of become chairman of financial group, having decided that the probabilities of become that the probabilities of become the probabilities

Another piece of relevant experience around this time was selling off unwanted businesses—a job he has repeated with energy and despatch in his early months at Beecham. "Like everybody else in the early 1970s we had been buying small, diversified companies for

"My first hig job was head of footholds into other industries. General Foods' Post division, We had a small toy company, which sold Post breakfast a seed company, a cosmetic cereals and also Gaines dog company, a hamburger chain. They were none of them business and so the seed of t on. I ran manufacturing, re- nesses we should have been in search, sales, marketing — the and it was my job to get rid whole operation reported to me. of them." He then became president of

General Foods' international division — "a tremendous job," he says, and one which plainly Then came an introduction below the group's corporate research and development.

That covered basic food research new products and so on. Size and orientation were different from that of a company like Beecham, and the time frames were different in my came.

The came an introduction was as a fully-fledged international manager. Then in 1981, in an abrupt change of direction, he left to become chairman of payengers, and orientation were different from that of a company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames were different from the company like Beecham, and the time frames from the company like Beecham, and the company like Beech

> times and huge cost to develop a new engine and put it through the 10 or 15 years cycle. Second, operating as the top person." The second part lasted just four years, after which Avco was taken over by its larger rival, Textron. Bauman moved across as vice chairman, on the clear

chairman would be a Textron man (the succession took place last August, the month Bauman's appointment Beecham was announced).

" I was prepared to be number two or three at Textron,"
Bauman says, a touch implausibly, "I was working at doing
that effectively and not trying to take over the current chairman' or chief executive's job. But I would never be in the same line s I'd enjoyed, and capacity as I'd enjoyed, and since I'd had some success av head of a team, if the right attraction came along I'd clearly be prepared to look at it." When Beecham's head-hunters

did arrive, the decision to move was in one particular sense a courageous one. Even before Textron came along Avco had been bedevilled by corporate raiders. Beecham too, though looking a trifle less battered than it had at the time of Halstead's dismissal, was still seen as a takeover candidate.

"It wasn't a major considera-tion," Bauman claims. "I tion," Bauman claims. "I thought it was a low probability. The stock had gone from 280p to around 350p, a lot of good things were going on, and they'd started communicating with the street. In any case, there is no safe situation. Anyone can be taken over."

In the months he has since spant acquainting himself with his new empire, has he had any nasty surprises? "Nothing ugly. I'd done my research before I came over, and I'd heard

came over, and I'd heard Beecham was a company with a sensational history, some good people, a lot of good products and good research. But it was on an earnings plateau, and it had lost contact with its various publics.

"I'd much rather step into a situation where there are good people and good products." Beecham has subsequently raised over £300m through the sale of unwanted businesses, and has restructured much of the remainder. Where now?

remainder. Where now?

"We have these core businesses, and we're out to develop organic growth in them. We're planning for a substantial increase in the speed with which we can bring new drugs into the market place, and also to have a drive on adventising.

"At the same time we want "At the same time, we want to make sure we have a con-tinued effort on efficiency. First, continuing to examine products and small business areas to make sure they still have a future—though I don't see any-thing major left to be done at

Second, he is looking particularly at driving down overheads. It "Fortunately, we're getting really good margins in most of our businesses, so it's mostly a question of getting the growth and ensuring we can finance it through increased efficiency."

Tax havens and low tax finance centres, Amsterdam. June 15-16. Fee: £450. Details from Legal Studies & Services, IBC House, Canada Road, Byfleet, Surrey KT14 7JL. Tel: 101-236 4080. Telex: 888870 IBC G. Telefax: (fax) 01-489 0849. SInvestment management understanding that the next

Japanese management style

# Behind the misconceptions

BY MICHAEL SKAPINKER

Trade Organisation, was cited in a recent speech by Peter Wickens, UK director of per-sonnel and information systems for the Japanese motor manufacturer Nissan. The study was based on the views of 119 Japanese companies operating

in Europe.

Wickens told a conference organised by the Financial Times and the National Economic Development Council that the view quoted above was just one illustration of the negative perceptions Japanese have of European workers. The study also reported that a substantial proportion of the companies "indicated they experienced cases where overtime was

enced cases where overtime was necessary but the employees refused to obey orders."

Some regard Nissan's new manufacturing facility in the north-east of England as an example of how Japanese work practices can be successfully transferred to Europe. Much has been made of the company's has been made of the company's emphasis on teamwork, high quality standards and common conditions of employment for different grades of employee.

UNLIKE THEIR Japanese company. Wickens, in any Western managers is not counterparts, European employees "do not consider work to be the centre of their lives," a recent Japanese study concluded. "If push comes to shove, they consider work something they have to do to live." The study, published last year by the Japan External

In addition, many of the

enjoy a guarantee of lifetime employment is true of no more than the 30 per cent who work for blue chip companies. Even then, "the stereotype applies only if you are an adult, male, full-time, permanent employee." Deep-seated cultural dif-ferences also make wholesale transfer of Japanese practices difficult. Wickens endorses the conclusions of the Handy report on management education\*, published last month, which

Britain.
Wickens recalls, for example, that after many months of dis-cussion with the Japanese on the subject of teamworking, he realised that they had to ly different perspectives on the issue. The Japanese regarded the group as a natural starting point. Westerners tend to start with the individual.

warned against attempting to

import the Japanese or any

other foreign system into

This image has been chaldwhat can be transferred to lenged by recent reports that the west? Wickens quotes from workers are dissatisfied with a book by Dick Wilson, "The conditions at Nissan—reports Sun at Noor": "What could which have been denied by the profitably be applied by

To encourage employee comsupposed characteristics of mitment and increase their selfJapanese working practices apply only to a minority of employees. The widely-held view that Japanese workers enjoy a guarantee of lifetime view candidates and inform that the characteristics of mitment and increase their selfesteem, Nissan gives its supervisors total responsibility for selecting staff, Wickens says.

The supervisors test and interview candidates and inform them that they have been suc-

cesstul. "The supervisor is then committed to his people. He cannot blame the personnel department for the rubbish they've sent me.' And successful candidates are committed to the supervisor — you always have a good feeling towards the person who offered you a job
— at the very least you respect his judgment."

Supervisors are responsible for communication within the team, which meets for five minutes every day at the start of the shift. This, Wickens says, is more direct and effective than a half-hour meeting once a month or more formal structures of employee repre-

A Japanese manager would regard such arrangements as good management practice. Wickens says. But then so would an American or a Swede.

The Making of Mcnagers,
from NEDO Books, Millbank Tower, Millbank, London SW1P

#### **Business** courses

Strategic employee develop-ment, London. July 1-3. Fee: £690; additional participants, same organisation £345. Details

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theory and practice, London. £395 + VAT. Details from John whitley, D. C. Gardner & Company, 8/9 New Street, London EC2M 4TP. Tel: 01-283 7962. Telex: 947805 DCGARD G.

Corporate Tax Corporate Tax Planning, London. June 12. Fee: £145 +

VAT. Details from Quorum Miss Evie Theodorou, Legal Training, Tavistock House, Studies & Services, Bath House, Tavistock Square, London 56 Holborn Viaduct, London WC1H 9TW. Tel: 01-388 2044. ECIA 2EX Tel: 01-236 4080.

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# **TECHNOLOGY**

# Textile industry enters the jet age

Peter Marsh reports on the revolutionary improvement in fruits of the loom

ushered in the Industrial Revolution in Britain 200 years

Taking the role of the spinning jennies and water frames, the machines that changed the shape of the industry in the 18th century, are a range of devices such as cloth-handling robots, automated sewing machines and looms that use jets of water or air to assist in

Sales of textile machinery, worth about \$7bn a year worldwide, are booming as makers of clothing and other textile goods attempt to introduce technical innovations to increase the quality and reduce the costs of their products.
In the US and Western

Europe, in particular, manufac-turers have used advances in technology to reduce the labour content of their production processes. These companies have moved in this direction largely because of increased competition in textile goods from developing countries.

According to Mr Allan Thompson, technical director of Platt-Saco-Lowell, a leading UK-based maker of textile machin-

ment into new processes to stave off the competitive threat.
"Future technologies are expected to be more expensive, which will increase demand for new capital expenditures," says

the report. Companies around the world produce some 30m tonnes of textile products a year, or roughly 5 kg for every man, woman and child. Textiles are used not just in clothing and domestic goods but in a range of other products, from para-chutes to conveyor belts and from artificial blood vessels to inflatable dams.

Particularly strong in textile machinery are West Germany and Switzerland, which account for two-fifths of the world's exports in this sector. Japan and Czechoslovakia are also important competitors.

Among the leading machinery makers are Rieter, Saurer, Dubled and Sulzer of Switzer-land, Platt-Saco-Lowell and Bentley of Britain; Japan's Toyoda, Howa and Nissan; and Zinser, Mayer. Schlafhorst and Stoll and Terrot of West

Stoll and Terrot of West a minute that is the norm with trousers. Among the US comparison, technology allowed maker of textile machinery, increased use of automation "has been one of the biggest trends in the industry over the past six years."

A report on the US textile industry from the Office of Technology Assessment, a Technology Assessment, a research arm of Congress, carries the horizontal (weft)

Stoll and Terrot of West a minute that is the norm with trousers. Among the US companies working with the corporation on the sewing project and applications of robots, the Office of Technology Assessment, a provided in traditional trousers. Among the US companies working with the corporation on the sewing project and office of Technology Assessment, a provided in traditional trousers. Among the US companies working with the corporation on the sewing project and office of Technology Assessment, a provided in the industry in the textile goods industry in three main areas, materials device called a shuttle which carries the horizontal (weft) ery, increased use of automation "has been one of the biggest trends in the industry over the past six years."

A report\* on the US textile industry from the Office of Technology Assessment, a research arm of Company.

Sulzer was an early pioneer in shuttleless looms, which have greatly increased the speed of weaving. In traditional weaving machines, a package of yearn is held in a mechanical device called a shuttle way.

Textile-Clothing Technology Corp.

jet looms have been especially successful in weaving textiles successful in weaving textiles an important testing ground based on fibreglass. Among the an important testing ground leading companies in this for makers of highly advanced technology are Nissan of Japan robots which gain information and Investa of Czechoslavakia.

irregular lengths of material sensors such as cotton are twisted together to produce continuous turers require their robots to yarn, is another important process which has seen big differing shapes and sizes.

Platt-Saco-Lowell, which is a subsidiary of John D. Hollings-worth on Wheels, an oddly supported research vanture in named US machinery company, the US, has made some proclaims a four-year lead on its gress in linking the use of robots to automated sewing.

The corporation, Platt-Saco-Lowell, which is a rivals in the area of friction spinning. In this technique, the twist is imparted by pulling the threads through some kind of rotating action.

According to Bentley, the UK company based in Accrington, Lancashire, friction spluning Lancashire, friction spinning machinery produces yarn at the rate of 300 metres a minute, has been tested mainly in the compared with the 150 metres manufacture of coats and a minute that is the norm with established techniques of rotary panies working with the corporation of the control of

THE WORLD'S textile industry warns, meanwhile, that combined undergoing technological panies in the West will have to changes parallelling those which step up research and developweft is guided across the thread by jets of air or water. Water-The textile industry, the re-

port says, is likely to become Spinning, in which small and vision or touch sensors. Such irregular lengths of material sensors could be useful, for

Textile-Clothing Technology machines. The corporation, based at the Charles Stark Draper Laboratory of the Massachusetts Institute of Technology, has developed a com-puterised process in which robots take cut fabric and feed this to machinery for rewing.

technology related to textiles and cloth production high-lighted in the Office of Tech-nology Assessment report in-clude dyeing and finishing. Here, sophisticated controls systems are required to monitor the various stages in the addition of dyes and other chemicals to fabrics. The controls reduce the number of discrete steps and permit greater flexibility in producing fabric of a specific colour and final texture.

Computer-aided design is playing a part in the process of designing new clothes, while other advances are taking place in the area of carding machines. These devices are used in yarn production auto-matically to straighten fibres and to separate useful material from shorter lengths, pieces of leaf (from cotton plants and so on) and other items of industrial waste.

The US Textile and Apparel Industry, A Revolution in Progress, Office of Technology Assessment, US Government Printing Office, Washington DC



Edited by Geoffrey Charlish Robots to go

where no man can BECAUSE OF high radia-tion levels, the first dis-manding of a major atomic reactor in the UR will be tackled by the Atomic Energy Authority at Windscale with

Authority at Windscale with the aid of robots, Taylor Hitec, the UK automation and robotics consult-arts, will design and build suitable manipulating and cutting robots which will be positioned inside the reactor positioned inside the reactor from the roof, using a handling unit made by Strachan and Henshaw of Bristol.

The advanced gas-cooled reactor, now at the end of its tife, will take several years to dismantle and the robots will be operated completely from outside the reactor's shield. They will position the necessary tooling and will cut the steel pressure vessel into manageable pieces using exprepane torches. They will then weld grabs to the pieces which will be taken out through the roof. Positioning accuracies of 0.5 mps are called for.

#### Security pictures over the phone

FRENCH COMPANY Serel, of Nice, has developed a "videophone alarm" which allows television pictures of secure areas to be sent over phone lines to the manager or owner of premises.

A picture, of about half the definition of an ordinary TV image, is sent in the form of of a "frozen" frame. A frame is sent only if a change has occurred since the last one was transmitted. Thus, the sudden presence of a person or car in the picture would cause a transm

The reduced information content of the picture means it can be sent cheaply over an ordinary phone line. Normal TV images require coaxial cable or microwave links. The system will automatically dial any number programmed into it and send its pictures to a receiver at the other end.

#### Celis will boost catalyst's action

POROUS POLYMERS with cell sizes down to 0.1 micron (millionth of a metre) have been produced by a team at Sandia National Laboratories in Alberquerque, New Mexico

The cell sizes are about a thousand times smaller than the cells encountered in conventional foamed polystyrene material and are also very uniform in size and evenly distributed.

One likely use for such materials will be to support catalysts in chemical pro-cesses, since the foam presents a very large internal area for the volume involved. Catalysts are substances which accelerate chemical reactions but which take no part

The more of a catalyst that can be presented to the reaction in a given space, the better. Another possible application is for controlled drug release. There is also the prospect of growing artificial human tissue because the new material will support the growth of certain cells.

The materials are made by come out of solution in a controlled way and then removing the remaining solvent (by freeze drying for ex-ample).

#### Electronic help in paper chase

NETWORKED DOCUMENT imaging and transmission is at the pilot stage at Xionics, the UK networking company. Production is planned for

early next year. Original documents will be scanned and filed on optical and/or magnetic disks. They can then be accessed or altered on a network of terminals or printed on laser

Called DIP (document image processing), the system is aimed at organisations that must have access to facsimiles of original documents. Xionics is already discussing a pro-ject with British Petroleum in which newspaper cuttings will be distributed to executives. Other prospects include site to site engineering drawing transmission and the storage of bank customer signatures to allow instant checking by staff.

Comprehensive measures are incorporated in the system, which is based on the IBM personal computer model AT. Xionics puts the likely basic cost at £20,000.



Grooving in the golf club

KEEN GOLFERS will be interested in the curious matter of the shape of the grooves on the striking face of a club. Usually these have a "V" cross section, but a US golf club maker, Rarsten Manufacturing Corporation, has made the grooves square, maintaining that more back-spin can be put on the ball by experienced players.

Whether or not the grooves break US or UK rules of the game is unclear. In any event. a British company, Hymec Hydraulics, has developed a £16 handtool that will, with a few minutes gentle scraping, turn the "V" grooves into square ones on existing c.ubs. The tool has hardened cutters (which can be changed by rotation when they get blunt). It is designed so that the width of a groove does not exceed the 0.035 inch maximum allowed on existing

The Royal and Ancient Golf Club, St Andrews, has not ruled the tool out. However, it says users should ensure that after conversion, the separation of the grooves is at least three times their width, and that there are no

sharp edges. CONTACTS: Taylor Hitee: UK. 02572 55825. Strachan and Hanshaw: UK, 0272 664577. Hymac Hydraulics: UK, 0276 29121. Sarel: Nice, France. 93 210303. Sandia National Laboratories: US. (505) 844 8065. Xionics: London, 346 0247.

# Keys at the centre of Nato war games

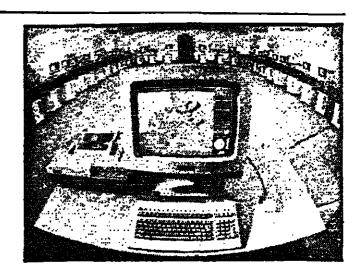
BY ALAN CANE

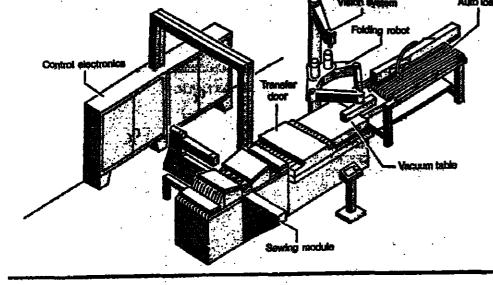
ONE HUNDRED years hence, tourists will walk round this roomful of screens and keyboards as keenly as they walk round the Cabinet War Room under Whitehall.

Situated in a supposedly nuclear proof bunker some-where in Belgium, this is the heart of Nato's computerised

intelligence system— Whidds or Warr Headquarters Information Display and Dissemination.

Cocknits of war can be displayed on the Sigmex screens powered by Digital Equipment VAX and MicroVax computers -over 40 of them.





# THE ARTS



#### Music

ITALY

Milan: Teatro Alia Scala: the pianist Murray Perahia: Mozart, Schumann and Beethoven (Mon). (80 91 26). Florence: Teatro Comunale: BBC Symphony Orchestra conducted by Jurij Temirkanov: Tchaikovsky, Proko-Temirkanov: Tchaikovsky, Prok fiev and Britten (Thur). (277 9236). touse: Teatro Olimpico (Piazza Gen-tile da Fabriano): Richard Stotz-man (clarinet) and Richard Goode (piano). Weber, Mozart and Stra-vinsky (Wed). (383 304).

Alicia de Larrocha, piano. Beethoven, Turina, Granados. Musikverein. (Mon). Vicana Chamber Orchestra conducted

by Peter Schneider with Montserrat Caballe, Maria Gallego, Gabriele Si-ma, Grace Bumbry, David Rendall. Gluck's Telemaco. Konzerthaus (Tue).

#### NETHERLANDS

msterdam, Concertgebouw. Wilfried Boettcher conducting the Nether-lands Philharmonic, with Rudolf Buchbinder, piano: Beethoven (Tue). (71 83 45).

Utrecht, Vredenburg. Handel's Jephtha sung by the choir of the Utrecht Oratorio Society, with instrumental ensemble and soloists, conducted by lohan van de Camp (Wed). Wilfrie Boettcher conducting the Nether-lands Philharmonic, with Rudolf Buchbinder, pinao: Beethoven (Thur). Recital Hall: Viktor Liberman, violin, and Alexander Warenpiano: Beethoven (Tue).

Rotterdam, Doelen, James Galway, flute, with the Berliner Festival Trio: Beethoven, Mozart (Tue). (414 29 11).

#### LONDON

Polish Chamber Orchestra directed by Iona Brown, violin with Jan Sta-nienda, violin. Bach, Britten and Tchaikovsky. Barbican Hall (Mon). (638 8891). Maurizio Pollini, piano. Beethoven

Festival Hall (Mon). (928 3191). London Mozart Players conducted by Jane Glover, with John Lill, piano

and Allen Handy, trumpet. Beethoven, Shostakovich, Stravinsky and Haydn. Royal Festival Hall (Wed). ondon Bach Society and Steinitz Bach Players conducted by Paul Steinitz with soloits including Patrizia Kwalla and Dame Junet Back. trizia Kwella and Dame Janet Ba-

Queen Elizabeth Hall (Wed). | Exhibitions condon Symphony Orchestra conduct-ed by Leonard Slatkin with Mi Dori, violin. Rossini. Paganini and Proko-fiev. Barbican Hall (Thur).

Royal Philharmonic Orchestra conducted by Vernon Handley with Mit-suko Uchida, piano. Borodin, Rach-maninov and Stravinsky. Royal Fes-tival Hall (Thur).

#### PARIS

Sevarian Radio Orchestra conducted by Sir Colin Davis: Beethoven, Mo-zart (Mon). TMP-Chatelet (4233 4444).

Montserrat Caballe, soprano, Miguel Zanotti, piano (Mon). Theatre de L'Athenèe (4742 6727). Alfred Brandel, piano. Schubert (Tue). Salle Pleyel (4563 0796). Gerard Souzzay, baritone, Dalton Bald-win, piano: Operatic arias and French vocal music (Mon). Salle Ga-

French vocal music (2004).
veau (4582 8971).
rchestra and Cheir Paul Kuentz,
Maurice Andre, trumpet: Albinoni,
Hertel, Scarlatti, Vivaldi, Corelli
Saint-Severin Church (Tue). S (4563 7955). er – piano, violin, cello: Schu mann, Ravel, Laio (Tue 12.30am), Schumann, Chausson, Lano (Thur 5.30pm). Both concerts at the Musée d'Orsay covered by the museum's entrance fee (4549 4814 ext 4389).

#### TOKYO

lostropovich, cello. Beethoven, Proko-fiev, Tchaikovsky, Rostropovich. To-kyo Bunka Kalkan Recital Hell. (Mon). (573 3588; 262 7141). (Mon). (573 3588; 262 7141). unsterdam Locki Stardust Quartet. Concert of 18th-18th century European music. Ishibashi Memorial Hall (Mon). (237 9990). Tokyo Philharmonic Orchestra con-ducted by Tadaaki Otaka. Brahms, Sibelius. Tokyo Bunka Kalkan.

(Tue). (237 9990). Karia Tipo, piano. Scarlatta, Mozart, Schumann. Tokyo Bunka Kalkan Recital Hall (Wed). (235 1881).

#### **NEW YORK**

Carnegie Hall: Chicago Symphony. Sir Georg Solti conducting. Mahler (Mon), Strauss, Stravinsky (Tue), Haydn, Bruckner (Wed). (247 7800). Juilliard Concerts (IBM Gallery): Gui-donian Trio. Clarinet trios by Bee-thousen Brahms (Wed). 12 20, 58th. 8. thoven, Brahms (Wed, 12.30). 56th &

New York Philharmonic (Avery Fisher Hall) Gluseppe Sinopoli conducting Gidon Kremer violin. Gabrieli, Berg Schumann (Tue); Giuseppe Sinopoli conducting, Rosalind Plowright so-prano. Ravel, Berlioz, Scriabin (Thur). Lincoln Center (874 2424).

National Symphony (Concert Hall): Rafael Fruhbeck de Burgos conduct-ing, Birgit Finnilae contraito. Mah-ler (Tue). Kennedy Center (254 3776).

Yo-Yo Ma (Orchestra Hall): Cello recital. Mixed programme (Thur). (485 8111).

**NEW YORK** neim: The first retrospective of Joan Miro since his death in 1983 includes more than 150 pieces, including paintings objects, collages, cerami Ceramics and works on paper that explore the artist's experimental media, methods and primitive inspirations. Ends Aug 23.

eum: The design Cooper-Hewitt Mr wing of the Smithsonian housed in Andrew Carnegie's Fifth Avenue mansion, features a special show on folding fans. Organized by textile conservator, Lucy Commoner, the fans reflected the fashions of the times during their headers from the times during their heyday from the 17th to early 20th centuries, as dem-onstrated in the 60 pieces of various shapes and designs. Ends May 31. (91st & 5th Ave).

Hirshhorn: 30 paintings from the permanent collection trace the use of bridges as symbols of modernity and the past in works by Thomas Eakins, Winslow Homer, Raphael Soyer and Louis Lozowick among others. Ends May 24.

#### CHICAGO

Art Institute: The 1985 Grand Palais exhibit of Lartigue's 1920s photo-graphs shows the evocative panora-mas and fleeting moments on the streets of Paris between the wars. Ends June 28.

# Masterpieces of Japanese and Chinese Art from the British Museum; This

joint effort by Tokyo National Museum, Asahi Newspaper, NHK and British Museum brings back to the

Closed Mons

Paris Opera (4286 5022).

sports till May 22. (4346 1221). sports till May 22. (4349 1221).
Ballet Antonio Gades at the Palais
Des Congres (4268 2075).
Merce Cunningham Dance Company
with his radically modern concep-

Rome: Teatro dell'Opera: A new production of Madam Butterfly direct-ed by Aido Trionfo and conducted by Rico Saccani. The cast includes Raina Kabaiyanska (alternating with Miwako Matsumoto). (46 17 55). Florence: Teatro della Pergola: Strauss's Capriccio (sung in Ger-

an amazing Henri-Edmond Cross - pointillist in technique but Japanese in inspiration - sets the tone of the exhibition, which is unusual by the rich representation of the great names of the period and the masterpleces it is

There is a magnificent Tou-louse-Lautrec - Moulin de la Galette - with figures in red, green, brown and with faces straight out of Brecht's Threepenny Opera. Across the room hangs a rare Gauguin - a plunging view of a fisherman and bathers in the Av-

Orient some 150 works of painting,

ceramics, lacquer and bronze dating from the Ancient Shang period (13th century BC) to Edo period (1800-1888). Many are being seen outside Britain for the first time. Es-

pecially notable are the rare Tang period Dunhuang silk banners from Stein's early 20th century expedi-tions to the Silk Road. Delicately

tions to the Silk Road. Delicately wrought metalwork animals by redundant 18th century Japanese armour makers are also eye-catching. This exhibition is part of the fundraising efforts towards the building a separate Japanese Gallery in the British Museum. Tokyo National Museum Ueno Park. Ends June 7. Closed Mone.

Closed Mons.

Ontemporary Nihonga Painting: Despite its poor reputation abroad (imitative of 19th century Western painting, Western subjects — often bi-

zarre and of poor taste and quality), this exhibition of Nihonga includes

The cover of the catalogue with en in Brittany, painted in the luxuriant colours he discovered in Martinique.

19th and 20th century French masters —

On the first floor Nicolas de Stael occupies the place of honour with Plowers at Fontenay, a powerful composition of a glaring red flower pot as flat as a cutout on blue-greyish ground, where large green leaves and one lilac bloom push inexorably upwards against a black back-

ground. Even the second floor holds such treasures as Toulouse-Lau-tree's postrait of his mother, tra-

ditionally, which means respect-

Back on the ground floor is Cézame's portrait of Madame Co-zame's portrait of Madame Co-zame in a black striped dress with a white collar, offsetting a placidly serious face delineated by strong contours. Lighter in vein is Degas' ballet dancer adjusting her shoe, sketched on pink paper and reproduced so of-ten that one could hardly believe that an original exists. It does. Here it is. Gaierie Schmit, 396

# some interesting works. Asano's Peaceful Horizon and Kimura's Vale in Winter use traditional Japanese brush and ink and subdued colours. Morita's Chrysanthemums, Doke's Ruins of a City and Mizutani's Dewn demonstrate the Japanese eye for detail Yamatane Museum, Yamatane Bulking, 9th Floor, Kayahacho Station, Ends. May. 24

LONDON The Tate Gallery. Turner in the new Clore Gallery. The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and dissen-sion ever since it came into the nation's hands more than 130 years ago. Turner had always wished for a gallery to himself which would show

abacho Station. Ends May 24.

all aspects of his work. Whether he would have approved of James Stir-ling's extension to the Tate as a suitable setting is a nice question. The larger paintings may be hung too low for one who lived in a more osfor one who lived in a more os-tentatious age, and the tasteful out-meal Stirling has decreed for the principal galleries is a far cry from the rich plum he is known to have preferred. The vulgar neo-deco of the entrance hall has little to recom-mend it. But eight rooms for paintnesta it. Sur eight towns for paintings and one for watercolours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

rench drawings: At the beginning of the 18th century Louis XIV's love of

new generation of artists around Antoine Wattsau introduced colour as well as a lightness of truch into their drawings under the influence of Venetian and Flemish masters. Musee du Louvre, Pavillon de Flore. Closed Tue. Ends June 1. (4260 3926). Tunis, The Gold of the Pharmohs: Part cons, the uses of the ressure from the tombs of the pharachs of Lower Egypt is on view in the Grand Palais, Gold, silver and lapis-lexuli fun-

erary masks, pectorals and estemo-nial vases were discovered in the late 1930s in the delta of the Mile, in Tanis, the capital of a country torn by internal strife. Yet the relative by internal sume, seems to have in-spired the royal graftsmen with an elegance whose near-classical re-straint appeals to modern sensibili-ty. Grand Palais, closed Tue, Ends July 20 (4289 5410). rue Saint-Honoré (4269 3636) closed Sundays and Izneh times. Ends July 18.

Venice: Palazzo Grassi: The Arcimboldo effect: a curious and stimulating
exhibition centred on the neglected
18th century Milanese mannerist
painter, Gluseppe Arcimboldo.
Much appreciated in his own lifetime for his extraordinary composite portraits, in which the features
of the siter would be composed of
the tools of his trade. - Pots, pans
and vegetables for the cook (which
turned upside-down becomes mereiy a still-life) or books for the librarian. - Arcimboldo spent most of his
working life outside Italy, in the service of three Hapsburg emperors.
Included is his arresting portrait of
Rudolf II as the Etruscan god Vertunno, made up of fruit, vegetables
and ears of corn. The axhibition coatains works by Arcimboldo's predetains works by Arcimboldo's prede-cessors, such as Leonardo, Durer and Posch, as well as those of artists

English National Opera, Coliseum: Or-pheus in the Underworld, a Gerald Scarfe-designed extravaganza not notable for genuine Offenbach wit or satire, returns for a further round

active in the early years of the 20th century. It attempts to draw links. -some obvious (Dali, de Chirico, Man Ray and Duchamp). Ends May 31.

Amsterdam, Nieuwe Kerk, World Press Photo exhibition. Ends May

Amsterdam, Van Gogh Museum.
Thirty paintings by some of the leading French Realists and Impressions from New York's sionists on loan from New York's sionists on loan from New York's Metropolitan Museum. Extending from Delacroix to Gauguin, with a sprinkling of Vincent van Gogh's lavourite artists, there are landscapes by Millet, Corot and Monet, a Cezame still life, Manet's colourful and supremely self-assured Young man in the Costume of a Majo, and Pissarro's evocative Houlevard Montmartre, Ends May 31.

Montmartre. Ends May 31.
Rotterdam. Prins Hendrik Maritime
Museum. Centred around two hugh
decorative wall maps. The World According to Blacu examines the history of the famous 17th- century famiity of carbon arches multiples are minerry of the famous 17th- century tami-ly of cartographic publishers, whose superb, detailed charts were based on the latest information from ships journals and seamen return-ing from voyages to the Republic's far-flung trading outposts. Ends May 25.

Madrid, Daniel Aubry. American Icons. Photographs by young artist in his many travels. Achna, San Bernardo 107. Ends June 5. Madrid, Centro de Arte Reina Sofia, Santa Isabel 52. Raumbilder: 5 Ger-man sculptors in Madrid. Ends June 22. Also: American Dreams. 116 pho-tographs by 35 unotographers from

tographs by 35 photographers from 1880. Ends July 6.

# **Opera and Ballet**

Der Fliegende Holländer with Marek Janowski/Christopher Perick con-ducting the romantic parabole on the solitude of the artist in society.

rans Upera (4286 5022). Spectacle Ecole de Danne presents
The Two Pigeons followed by Suite
en blanc in hommage to Serge Lifar
at the Opera Comique (4296 6011).
Nabucco is in a super-production of
650 performers, two orchestras and
three choirs at the Palais Omnisports till May 20 (4244 1291)

tions. Théâtre de la Ville (4274 2277). Euridice - a musical fable - is co-produced by Radio France, Montpellier Opera and TMP Châtélét at TMP Châlét at TMP-Châtélét (4233 4444).

man) conducted by Gustav Kuhn and directed by Willy Decker, with scenery by Wolfgang Gussman and costumes by Marion Gerretz, Pelici-Lott sings the Contessa. (277 9236).

Florence: Testro Comunale: Ballets by Florence: Tentro Comunale: Ballets by John Cranko, Aurelio M. Milloss and Egon Madsen, conducted by Fabio Maestri, danced by the Ater-balletto Company and the Maggio Musicale Ballet Company (277 9236). Naples: Teatro San Carloc: Fidelio con-ducted by Efrem Kurtz and directed by Filippo Sanjust, who also de-signed the scenery and costumes. The cast includes Sabine Hass, Elis-abeth Gale, Tom Krause and Robert Schumk. (417144)

Genoa: Teatro Margherita: Rigoletto conducted by Daniel Oren with Leo Nucci in the title role: A new production by Luciano Alberto, with scen-ery and costumes by Pasquale Gros-

#### **WEST GERMANY**

Berlin, Deutsche Oper: Die Hugenot-ten conducted by Jesus Lopez Cobus in John Dew's production with An-gela Denning, Pilar Lorengar, Victor von Halem and Lenus Carlson, joining the repertory of Hoffmanns Erzählungen, sung in French with Faye Robinson, Simon Estes and Kenneth Riegel; Die verkaufte Braut conducted by Hans Martin

Rabenstein with Lucy Peacock, Kaja Borris and Peter Maus. (3 43 81). lamburg. Opera house closed for ren-ovations – all performances in Hamburg Musikhalle. La Favorita, of-fered in a concert version stars Ali-

fered in a concert version stars Ali-cia Nate, Giorgio Zecanaro, Alberto Cupido and Haiu-Hua Su. Frankfurt, Opera: Last performance of La Bohème, in which Yoko Wata-nabe and Alberto Cupido sing the main parts. Ein Maskenball has a particularly strong cast with Natalia Troitskaja, Luis Lima, Giorgio Za-canaro and Nan Christie. Die Walküre and Das Rheingold, both produced by Ruth Berghaus among the brightest Frankfurt successes of recent seasons. The cast includes recent seasons. The cast includes Sandra Walker, June Card, Cornella Berger, Wolfgang Probst, Catarina Ligendza, Ellen Shøde, Gall Gilmore and Walter Raffeiner. Dido und Ae-neas are sung by Glenys Linos and Valentin Jar. Die Verkaufte Braut rounds off the week. (2 56 21). Cologne, Opera: Fidelio has fine inter-

pretations by Marianne Hirsti, Eric Halfvarson and Hermann Winkler. There was much applause for Der Rosenkayalier, when it opened. The cast brings Margaret Marshall, De-lores Ziegler, Teresa Ringholz and Günter von Kannen together (20751).

taatstheater Stuttgart: Guest perfor-mance of the Bolshoi Theatre with Buris Godunov, sung in Russian.

The week also features Die lustigen Weiber von Windsor, Otello and Jen-ufa. (2 03 21).

#### NETHERLANDS

Amsterdam Muziektheater. The Neth-erlands Opera with Puccint's Mad-am Butterfly directed by Monique Wagemakers and designed by Her-mann Soherr. The Netherlands Philmann sonerr. The recommand rain-harmonic conducted by Charles Ba-dea, with Hiroko Nishida (Cho-Cho-San), Franco Farina (Pinkerton), Ju-dith Christin (Suzuki), and Malcolm

burg (31 02 41).

Royal Opera, Covent Garden: The lat-est revival of John Copley's rather pretty-pretty production of Massen-et's Werther introduces London to ther performances of Turandot, last of the Stravinsky-Ravel double-bill made famous by the David Hockney sets and costumes. (240 1066).

of performances led by Lillian Wat-son and Terry Jenkins. Dargomizhsky's Stone Guest and Mozart's Don Giovanni, two very different ver-sions of the Don Juan legend, both continue in repertory, each in a per-formance with a good deal of thestrical interest and musical skill to of-fer. (836 3161).

min Christin (Surusi), and Malcolm Donelly (Sharpless). (Tue). (255 455). The National Ballet with Before Nightfall (Christe/Martinu), Corps (Van Manen/Berg), Seventh Sym-phony (Van Schayk/Beethoven). The in Den Bosch, Casino (125 125), Wed and Thur in Utrecht, Schouw-

Francisco Araiza in the title role and Agnes Baltsa as Charlotte; Mi-chael Schouwandt conducts. Fur-

dasisoper: Der Rosenkavalier con-ducted by Kout with Te Kanawa, Fassbänder, Wise, Benfalvi, Slania, Zelenka; Otello conducted by Mehta with Domingo, Tomova-Sintov, Lilo-va, Bruson; Werther conducted by Plasson with Von Stade, Sasaki, Hensrud, Kraus (51 444/2655). Volksoper: Das Land des Lächelns,

# ousoper: Das Land des Lacems, conducted by Bibl; Der Opernbell, conducted by Boncompagni; Der Fremdenführer, conducted by Bibl; Orpheus in der Unterwelt, conduct-ed by Bibl (51 444/2657).

american Ballet Theatre (Metropoli-tan Opera House): Cynthia Gregory, Marianna Tcherkassky and artistic

and them are decreased

director Mikhail Baryshnikov redirector Mikhall Baryannikov re-turn for the spring season of mixed programmes, including company premieres of Sunset choreographed by Paul Taylor to Elgar and Enough Said, Clark Tippet's choreography to George Perie's music. Lincoln Center. Ends June 13 (382 6000).

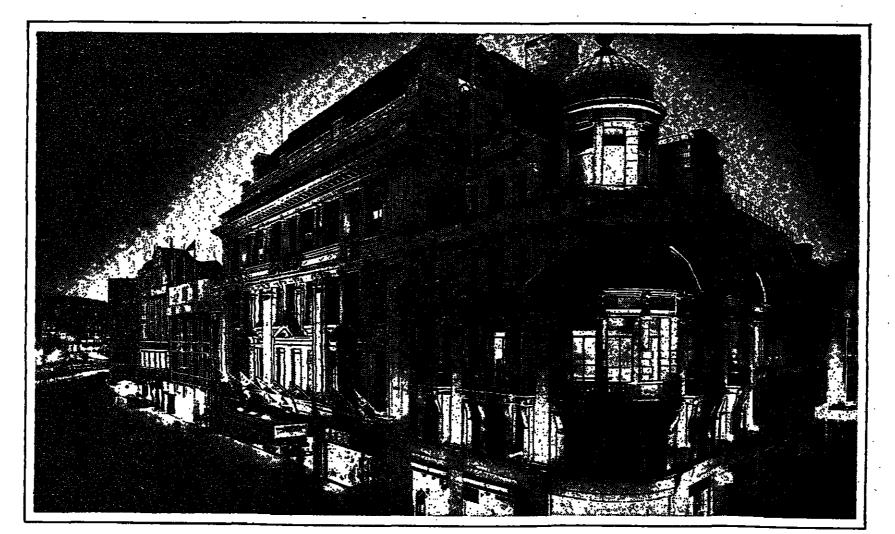
New York City Ballet (New York State Theater): More than 40 works by Balanchine, Robbins Peter Martins and other choreographers will be part of the two-month-long 88th season, including two new works by Martins set to music by Handel and Michael Torke. Ends June 28. Lincoln Center (870 5570).

Asami Maki Ballet Company in works from classical ballet repertoire, Chue Hall. (Wed). (460 9411).

Butch (Japan's unusual contemporary dance): Anzu Furukawas formerly of renowed Sankaijuku Troupe. The dermaid, Parco Stage Lab. (Thurs). Mermano, Parco Stage Lab. (Thurs). (477 5874); Min Tanaka choreogra-phing works by Western disciples. Tass de Quincy (Mon), Montsi Garcia (Tues), Katerina Bakatasaki (Wed), Plan B, Nakano Fujimicho

Continued on Page 13

# THE TROCADERO IS FOR SALE. FREEHOLD.



# The Property

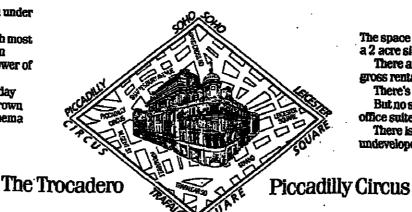
The Trocadero has been part of London's

legend since the eighteenth century. Whether as a tennis court, a music hall, a dance hall or the most spectacular of the J Lyons Corner Houses, the building has always reflected the pace and style of the life

around it. In 1986, around 7 million people visited

the Trocadero, more than half of them under 40. The Guinness World of Records exhibition has made the Troc the fourth most visited fee-paying attraction in London (along with Madame Tussaud's, the Tower of

London and London Zoo). The re-emergence of the domestic day trip to London provides a new homegrown market, and the renalssance of the cinema makes it a natural meeting place.



# The Potential

The space offered is 221,000 square feet on

a 2 acre site. There are 46 units, with a current annual gross rental income of £1,850,000. There's a disco, a casino and a cinema.

But no skating rink, fitness centre, honry office suites, studios, or apartments. Yet. There is, however, 50,000 square feet undeveloped.

The property is for sale freehold. Which isn't an opportunity that comes along twice. For further details:



#### Films in Cannes and London/Nigel Andrews

# Distinctions, indistinctions and oddities

After beginning with a rush of blood, the 40th Cannes Film Festival is now behaving as if under doctor's orders to slow down. The Competition has been giving us craftsmanlike movies unlikely to strain either the heart or the brain.

The state of the s

The state of the s

Closest to making the pulse race in recent days has been Good Morning Babylonia. Directors Paolo and Vittorio Taviani (of Padre Padrone) have seized on a marvellous truth-based story idea — the tale of two Italian brothers who found fame in Hollywood by designing the glant elephants for D. W. Griffith's Babylon set in Intolerance — and turned it into a gilded fable about the early days of cinema.

Apart from a handful of US location shots, the film was made entirely in Italy, and it takes place in a sunlit Arcadian clime that could equally be early Hollywood or mediaeval Umbria. The brothers Wincent Spano and Joaquin de Almeida) belong to a family of cathedral-restorers; they are grudgingly despatched to the New World by their stern father (Omero Antonutti) when business fails; and when they later get married on the set of Intolerance, who should turn up but Dad, who promptly has a verbal duel with D. W. Griffith (Charles Dance) about the relative importance of cathedrals and movies.

Diane K.

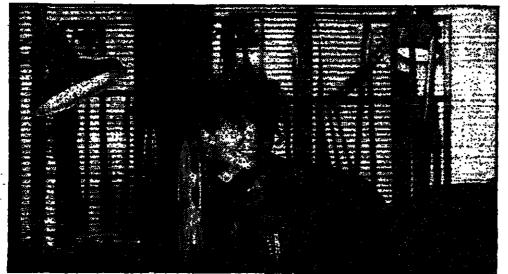
Diane K.

Diane K.

Diane K.

Static furning smoke-stacks and rearing ocean waves gilded by sunset. The other, almost equally surreal, has the two brothers deep in the California countryside, one clashing a pair of cymbals pensively by a river, the other conjuring up flashback images of his father and back images

cathedrals and movies. The film is almost scuppered —for critics seeking thematic by two direly written "female segues in a festival—to a sister interest" roles. Greta Scacchi who tends glass animals. In and Désirée Becker play, with Paul Newman's film of The Glass many a giggle and simper, the Menagerie his wife Joanne two aspiring starlets who marry Woodward plays the Missouri



Diane Keaton with her own film "Heaven"

elephants it is but a short step two aspiring starlets who marry our heroes. And Charles Dance's Griffith struggles manfully but none too convincingly with an American accent. (Could they not have got an American?).

But whenever the two brothers take centre screen (they are surely alter egos for the Tavianis themselves), the film pures into life. And two sequences alone remind us that

sence-frazzled hair, perplexed eyes, sudden gestures flu tering in quixotic emphasis—is unfor-gettable. A Cannes Best Actress prize is surely in the offing. Other Cannes movies are already sorting themselves out into a pantheon of distinction.

indistinction or cherishable oddity. When my personal prizes are handed out at close of festival, they will have to Best cure for insomnia; John run the entire gamut of human Sayles's Mateuon, a 1920s-set response: "It's like a bride tale of striking Virginia coalminers, whose stilted social like New York or LA or any earnestness put me to sleep other city." The interviews

look back at the Festival's forty years. sequences alone remind us that and Katharine Hepburn. But Usual, in which our Glenda we are in the hands of master Woodward brings to the role a strikes a blow against social film-makers. One is the brothers' sea crossing filmed as She hits high-strung high notes a wordless, fantasticated short-that one thought existed only hand of sliding wine glasses, in the mind's ear, and her presented Lawrence Lawren

The irony of violence as a

politicians.

Most colourful and informative movie title: (ex aequo) Space Sluts In The Slammer and Assault Of The Küler

Fo. my Best Documentary

prize there is no contest. Diane Keaton's Heaven is a wonderreation's Headen is a wonder-fully inventive vox pop extra-vaganza. An unseen Keaton quizzes people about their attitudes to the after-life. Theories of what Heaven is like after twenty minutes:

Best film consisting of a that look a child's version of montage of clips from previous German Expressionism, and Cannes films: Gilles and they are wittily intercut with Jacob's affectionate clips from the cinema's own forays into the more lunatic fringes of life and death (from Best party political broad-fraction mass to Dracula). For cast by Glenda Jackson mass those who equate the word querading as a feature film: "documentary" with brain-Leali-An Barrett's Business As atrophying films about oil-"documentary" with brain-atrophying films about oil-drilling or coal-mining or oyster-farming, Keaton's movie is a joy and a tonic,

Lemmon and Julie Andrews in the sentimental comedy That's Life. Beats there a heart so hard that it can resist the sight of these two old-stagers going through the hell of prolonged

marriage, late menopause and advancing mortality? Speaking personally, my hear is as granite when called on to commiserate with people living in fuxury in Makibu. This movie, directed by Blake Edwards (alias Mr Julie Andrews) convenes lush production values, soap opera emotions and minimum travelling expenses for Mr and Mrs Edwards since it is shot in their Edwards since it is shot in their own house. Two of their own children and one of Mr Lemmon's also play the offspring; who bring their problems home one eventful weekend when Mr Lemmon has got a bad attack of timo mortis, a lump from Miss Andrew's throat is being toward at the hospital and a tested at the hospital, and a giant beach barbecue is being

planned, surely ill-advisedly, for Sunday night. Yet despite some queasy moments, the film, like the barbecue, turns out rather well. Miss Andrews is a pastmistress of elocuted concern: "I've never seen you so unglued, hon," she coos to Lemmon with crystalline care and a furrow of those Roedean eybrows. And the unglued Lemmon has some wonderfully unglued moments; notably when, while reading the desson in church, he discovers to his visible physical distress that he has caught crabs from a recent in-discretion.

It is certainly a week for below-the-bekt incident in the movies. Il Petomane, is an Italian bio-pic about the 19th-century French music-hall star. "Le Petomane" whose wind was his fortune. He broke it, many times and in many varied ways, to entertain the custoways, to entertain the custo-mers in the Moulin Rouge and elsewhere. Despite a feeling the phrase "art for art's sake" and added two initial Fs to it, it is perkily directed by PasIn London the merry middle quale Festa Campanile and of May is dominated by Jack likewise acted by Ugo Tognazzi.

# An Ideal Husband/Chichester Festival Theatre

#### **Martin Hoyle**

A few months after the Glasthing," we hear the ageless ow Citizens Theatre presented voice of realpolitik; such sentigow Citizens Theatre presented An Ideal Husband weighed down by gilt and velvet, social privilege carried to caricature extremes as the characters bayed and squawked, the Chichester Festival comes up with the polar opposite: a piping miniature whose initial pastel-coloured set (blue and pink, plus a Tiepolo cartoon) betrays

the fatal anaemia of good taste. Peter Rice's designs evoke applause, as do the actors' exits (less so their entrances). Tony Britton's old style production evinces little wit and misses much humour. At the Chilterns' party the firtatious mockery of party the flirtatious mockery of "Pray do not make these jealous scenes in public," kills the badinage stone dead when uttered seriously by a cross young woman who promptly storms out. And there is no point in lines like "You look very English," when their absurd object, the irreversibly French dandy with his aspirant anglicisms, looks exactly that. anglicisms, looks exactly that. One wonders whether the producer actually detected the irony in the dialogue.

Perhaps this lack of irony prompted the laughter that greeted the plot's melodramatic twists. A recognition of how dated these moral posturings are might have pre-empted much of the acting's bewildered solemnity. A pity; since in lines vocal quaver that is now an back on the streets where they like "Truth is a very complex obtrusive mannerism. He alter-obviously belong.

ments as "the god of this century is wealth" have a timeless ring; and the story of a promising young politician who sells Glasgow gave us comic distortions of past decadence, Chichester gives us a never-never land not too far from theatreland's Haymarket or Shaftesbury Avenue. Neither allows the comedy any relevance for today.

glass windows, the two male leads give a curious display of playing each other's roles. David Gwillim's Chiltern has a roguish twinkle, worlds away from the priggish stick this vaunted paragon so often seems. His youthful error is believable; believable too his talents and ultimate worth. Mr Gwillim's charm, assurance and style almost make us forget this play's moral ambi-valence. He even makes sense of the "false idols" speech— that odious attempt to spread the blame.

cis gives a charmlessly wooden performance with that hollow any decent Victorian house and

nates tiresome piety and smarty-pants smugness. Never have the epigrams throbbed so mirthlessly as when Mr Francis reels them off. As his manservant, Peter Fontaine is his state secrets to a speculator is superior in timing and indeed the insider deal par excellence. equal to anyone on stage save the splendid Gwillim.

Joanna Lumley's Mrs Cheveley is dark-eyed with healthily predatory teeth. Anxious not to let the pace flag, she begins too quickly: the voice looses authority in the higher reaches. A striking Against Act 2's gold and white the higher reaches. A striking with gilt and satin furniture, presence, she can afford to add or the reds and browns of point and weight to the lines, Goring's library with its stained to vary her tone—in short, not glass windows, the two male to try so hard.

A greater sinner is Amanda Waring whose Mabel shows the vivacity and personality of her Gigi but who has no idea how to speak her lines in anything but a boisterous, strident chirping. June Whitfield's Lady Markby is a pleasant surprise. This antic aristo effortlessly dominates the salon as if the Clumps had never existed. Glumms had never existed.
One odd production point:
having yielded her weapon to
rid herself of the incriminating bracelet, Mrs Cheveley sweeps
On the other hand, as Lord off with it still firmly clamped Goring, that witty, cynical, loyal to her wrist. Another: the friend: the flaneur with a steely atrociously vulgar eye makeup would have them thrown out of



Joanna Lumley and David Gwillim

#### Built on Sand/Theatre Upstairs

# Claire Armitstead

Among the wealth of new work charting the Ulster experience this new play by Daniel Mornin stands apart more for its way of saying things than for the things it has to say. He gives us The Troubles as a blot on the liberal conscience: the mythmaking imagination that James Joyce set to work on Ulusses resurfaces here in Mornin's weaving of the Minotaur story with the monsters he sees lurking behind every politician's smile.

The play is set, by designer Anabel Temple, on a stage slewed diagonally downwards at a crazy angle, the foremost tip dipped in blue as if bathed in sea, a hint of sombre brickwork flaming up the furthest corner. On it we first see a woman, panting as though running, gunned down by a British sol-dier while a huddled shape under a quilt cries to her to stop. The clue to this vicious little episode comes a few scenes later when the shape, now revealed as an Irish holidaymaker in Crete. is confronted by his RUC-serving father, who hisses "what the hell are you doing back here in this metaphysical tragedy?"

In a labyrinth of flashes backward and forward the holidaymaker's story emerges as one umbilically tied to the tragedy of sectarian Ulster. He is the journalist son of a down-

to-earth Irish father (Gerard ster, needing only to be freed Horan) and a bigoted Scottish by a hero with a sword. Horan) and a bigoted Scottish mother (a perfectly po-faced Annie Hayes), whose love affair means to end violence courses with a Catholic girl is destroyed when she falls in with the Republicans, turns away from him and is finally shot. Recuperating abroad, Andrew --- a performance packed with stac

cato energy from Michael Maloney — conceives of Ulster as a nation beholden to a mon-

Alesteir Muir Michael Maloney

# Measure for Measure/Young Vic

# B. A. Young

out all the mercenary referout all the mercenary references in the play, but David
Thacker does not stress them in his modern-dress production.
There are no computers in the David Boyce's Pompey might by forcing a confrontation between republican and loyalist redistrictions.

Duke's offices, as there were in Antonio's at Manchester. Corin Redgrave's Angelo is no yuppie; indeed is olde rand squarer than Matthew Marsh's Duke. The relevance to our own time depends more on our newlycritical attitude towards the sexual freedom of the 1960s, paralleled by Angelo's sudden restrictions.

politicians.

Inevitably all they can agree is that neither will truck with an Anglo-Irish agreement. What begins as a guardedly civil encounter between two men already stamped by Mark Lambert and Des McAleer as thugs behind candied words, ends up as an extraordinary danse macabre in which the two, like This Angelo is a serious man, with barely a smile even in his macaure in which the two, like a hydra of gobbling heads, tear the dead girl Ann limb from limb before turning conspiratorially on each other. businesslike seduction of Isa-bella. The Duke, on the other hand, is a light-hearted fellow, rather too free with his affections to make a convincing Friar. Indeed he cares little about this act of his, for he removes his hood as soon as he can, and so can easily be recog-It is a brilliant, grotesquely funny climax to a play that is somewhat uneasily straddled between vivid physical images, smartly and sparely marshalled nised by intimates like Escalus (Randal Herley) and the Proby director Lindsay Posner, and a luxuriance in words for their

vost (Will Pacey). own sake. The central points—about Ulster's obsession with own sake. The central points—about Ulster's obsession with blood sacrifice, its enshrinement of this obsession in a new nationalist mythology of young mariyrs (Rachel Joyce's madonna like Ann among them), and the impotence of the liberal democrat in the face of such bigotry—are made as often as they are variously.

Vost (Will Pacey).

Isabella (Saskia Reeves) is too shrill and excitable ever to have been a novice (and she, too, uncovers her head whenever she can). Margot Leicester's Mariana seems unduly depressed by Angelo's five-year neglect, though she sings "Take of take" herself instead of at the Ameida Theatre on May often as they are variously.

An interesting essay in the convincing of the women is Young Vic programme picks Janet Crawford as Mistress out all the mercenary refer. Overdone, who is slender and not be quite smart enough for it; the evening's only dinner jacket is Claudio's, which he was evidently wearing when he was nicked. Pompey makes a good headsman, though he appears not to know the difference between a rope and an

> Rob Edwards gives an interesting Lucio. He does not play him as a funny charecter, but speaks the comic lines intelli-

speaks the comic lines intelligently enough for the fun to come out without the usual touch of camp.

Ruari Murchison's designs are confined to the furniture, deftly handled by the stage staff. The Duke's grand return seems to take place in a spacious hall rather than anything like a city gate. Jessica Bowle's costume designs are strictly state-of-the-art.

# Capricorn/St John's Smith Square

# **Andrew Clements**

The four-concert series that Capricorn has devoted to the music of contemporary Scandi-navian composers ended on Wednesday in St John's with a superbly executed programme conducted by Oliver Knussen which was stuffed with unmovements of Webernian brevity though less elliptical familiar scores. Six new works are too many to assimilate fully expressivity, using a vocabulary at a single hearing; while the enthusiasm of the organisers of of quartet gestures which seemed to look back to Janacek rather than to any of the more usual modernist models. The the series has understandably encouraged them to convey as comprehensive a picture of current trends in the Nordic countries as possible, it has also undoubtedly led to some indigestscheme leaves an intriguing feeling of incompleteness, as if these snapshot structures were successive glimpses of a much larger edifice only partially ex-

The standard of works was uneven. Even in ideal circum-

The Six Movements for string material through the ensemble, quartet by the Icelandic while the second provides some Karolina Eiriksdottir (born kind of catharsis, pulling 1951) provided in some ways together the threads and the most distinctive voice: attempting a resolution in scraps of material combined in musical and formal terms.

All of the works other than Salonen's were receiving their first performances in Britain, and Poul Ruders' Nightshade, which ended the concert, was commissioned for the occasion by Capricorn. It is described by the composer as "a graveyard of low-pitched, tight-knitted crawling chords sliced asunder by the cold, extremely high-positioned movements of the larger edifice only partially explored.

In Entegegen by the Danish
Anders Nordentoft (born 1957)

Anders Nordentoft (born 1957)

Anders Nordentoft (born 1957)

Anders Nordentoft (born 1957) stances I cannot imagine Kaija
Saariaho's overlong and amorphous Lichtbogen for nine instruments and electronics, Gudmundsen - Holmgreen's that of some of his fellow cosily genteel Terrace for wind countrymen such as Abraham constructed—whatever the stop-Gudmundsen - Holmgreen's that of some of his fellow like tolling gongs. It is tightly cosily genteel Terrace for wind countrymen such as Abraham-constructed—whatever the stop-quintet or Ese-Pekka Salonen's sen and Ruders, but projected watch might have revealed, it blustery Yta I for alto flute with a great deal of rhythmic certainly felt like the shortest making a positive impression. vigour and sense of shape. The work of the evening—and But the remainder of the pro- work falls into two unequal grimly assured, though what gramme offered a full quota of parts, the first propulsive, impulse lies behind its sound-rewards.

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# Arts Week Continued from Page 12

# Theatre

LONDON

Les Liaisons Dangereunes (Ambassa-dors): Christopher Hampton's mas-terly version of Laclos' epistolary novel remains in London with Joua-than Hyde and Eleanor David re-placing them to the control of the control o placing new toasts of Broadway Al-an Rickman and Lindsay Duncan. (826 6111 or 836 1171).

Foman in Mind (Vandeville): Pauline Collins and Michael Jayston now lead a new cast in Alan Ayekbourn's bleakly ingenious comedy about a housewife fantasising the ideal fam-ily on the back lawn. (836 9887/3643).

High Society (Victoria Palace): Dra-maturgically sound but musically weak conflation of film, play and as-sorted Cole Porter hits directed with gunch but little taste by Richard Eyre, director designate of the Na-tional Theatre. Stephen Rea notably charming in the Sinatra role, Natas-ha Richardson uncowed by Grace Kelly as the ice maiden who melts (R34 1317/R38 4735)L

Among and Cleopatra (Olivier): Peter Hall's best production for the National Theatre he leaves in 1988 brings this great but notoriously difficult play in thrilling life, with Judi Dench and Anthony Hopkins as battle scarred levers on the brink of old age. Dench is angry, witty and ultimately moving, Best of the rest at the NT is Michael Gambon giving his finest ever performance as Arthur Miller's doomed longshoreman in A View from the Bridge; Juliet

Stevenson in a fine revival of Lor-ca's Yerma; and David Hare's pro-duction of King Lear, Hopkins, a massive gnaried oak, which gathers force and more friends as it contin-tors in the received of Lor-ca's Yerma; and David Hare's pro-duction of King Lear, Hopkins, a massive gnaried oak, which gathers force and more friends as it contin-tors in the received. ues in the repertoire (928 2252).

Macbeth (Barbican): Jonathan Pryce is a wolfish, blood-curdling Macbeth in Adrian Roble's exciting production for the RSC. It plays in repertoire with Jeremy irons' inconclusively wimpish Richard II and a sively wimpish Richard II and a rough and tumble modern-dress Romeo and Juliet. Best in the RSCs Barbican Pit is Janet McTeer leading a fine ensemble in Worlds Apart by Cuban playwright Jose Triana.

The Phantom of the Opera (Her Majesty's): Spectacular but emotionally mutritional new musical by Andrew Lloyd Webber emphasising the romance in Lerony's 1911 novel. Hapmance in Leronics 1911 novel. Hap-pens in a wonderful Paris Opera ambience designed by Maria Bjorn-son. Hal Prince's alert, affectionate production contains a superb cen-tral performance by Michael Craw-ford. A new, meritorious and pal-pable hit. (839 2244, CC 379 6131/240 7200).

Woman in Mind (Vaudeville): Alan Ayekbourn's new comedy has a bril-liant performance by Julia McKen-zie as a dissatisfied housewife visited on her own garden lawn by an imaginary ideal family. Bleak but funny, hailed in some quarters as vanguard feminist drama; be not put off by that. (836 9987/5645).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskat-ing folly has 10 minutes of Spielberg ing felly has 10 minutes of Spheinerg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Dis-neyland, Star Wars and Cats are all influences. Pastiche store nods to-wards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

rick's tap-dancing extravaganza has been rapturously received. (836 8108).

# TOKYO

Kabuki (Kabuki-za): The dance sec-tion of the matines is the best bet for newcomers. Famous actor Balko for newcomers. Famous actor banko dances the charming wisteria maiden, and Kanzaburo an old Buddhist priest begging for alms. The highlight of the evening performance is Funa Benkei, symbol of loyalty to the Japanese. A lively and typical Kabuki scene is the battle hetween the control of the priest of the parties of the the water-borne ghost and General Yoshitsune's followers. English pro-gramme and excellent earphone commentary. (541 3131).

Kabuki (Shimbashi Embujo): Enno-suke stars in his own version of Yoshitsune Sepbon Zakura (a more adventurous - even audacion sion of the play at Kabuki-za) Eurosuke's productions are the most speciacular in the form today, espe-cially his quick-changes and trapeze acts. His ghost and fox roles are great fun. For first-timers to Kabuki this is a must (541 2211).

# **NEW YORK**

Pences (46th Street): August Wilson hit a home-run, this year's Pulitzer Prize, with James Earle Jones taking the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, try-ing to improve lot but dogged by his own failings. (221-1211).

All My Songs (John Golden): Richard Kiley has the gratifying part of Joe Keller in Arthur Miller's post-war moral tale of profits versus principle

Cats (Winter Garden): Still a sellout, Trevor Numn's production of T.S. Elliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather stald and overblown idea of theatricality. (239 8262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off. To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert): The longest-running musical ever in America running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also undated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions.

Le Cage and Folles (Palace): With some tuneful Jerry Herman songs, Harvey Flerstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (15) 2626).

I'm Not Rappaport (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popu-larity for the two oldsters on Central Park benches who bicker uproar-iously about life past, present and future, with a funny plot to match.

Big River (O'Neill): Roger Miller's mu-sic rescues this aedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default (2460220)

in a nicely dated production from the Long Wharf Theatre. (239 6200).

The Mystery of Edwin Drood (Imperi-al): Rupert Holme's Tony-winning resurrection of the unfinished Dickens classic is an ingenious musical with music-hall tunes where the audience picks an ending. (239 6300).

ible programming.

rewards.

Les Miserables (Broadway): Led by Les miserables (Broadway): Led by Colm Wilkinson repeating his West End role as Jean Valjean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama, if not strict adherence to its original source. (200 6201)

Starlight Express (Gershwin): Those who saw the original at the Victoria in London will barely recognise its in London will barely recognise its American incarnation: the skaters do not have to go round the whole the are but do get good exercise in the spruced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trumped-up silly plot. (586 6510).

# CHICAGO

Tempest (Goodman): Company artistic director Robert Falls directs Denis Arndi as Prospero in a new produc-tion with sets by Adrianne Lobel. Ends May 29.

Pump Boys and Dinettes (Apollo Canter): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100).

# WASHINGTON

Opera Comique (Eisenhower): Anne Jackson and Eli Wallach star in Nagle Jackson's new comedy. Ends June 6. Kennedy Center (254 3870).

# Saleroom/Antony Thorncroft Three city boom

in New York for an early impression of the engraving "Melencolia" — and the 2894,308 bid by a London dealer m New York for an early impression of the engraving
"Melencolia" — and the
£894,308 bid by a London dealer
at a Sothebys jewellery sale in
Geneva which secured an unmounted cushion shaped diamond weighing 73.04 carats.
Until recently such diamonds
were quite out of favour.

wife, Eva Gonzales, who died
young in childbirth but who has
recently been re-discovered.

In Geneva Christle's clocks
and watches sale was almost
half unsold, but a Patek
Philippe gentleman's size bracelet watch. made in gold in 1924,
did well at £53,877. By chance
Sotheby's yesterday was selling were quite out of favour. The Durer print, sold by the

Kimball Art Foundation at Forth Worth in Texas which, unlike British museums, is quite prepared to sell old stock to frepared to sell old stock to finance new purchases, dates from 1514, and more than doubled its top estimate at Sotheby's. In the same auction "The Letter," by Mary Cassat, in the style of a Japanese woodblock print, did well at £109,375. Chelsticks was also busy in Christie's was also busy in New York and Geneva. In the former it disposed of Impressionist and modern art. "Orphée" by Odilon Redon, an oil portrait of the mythological

hero, quadrupled its top esti-mate at £155.294, and a scene around a pool by Hebri Lebasque did equally well at £142.353. Among the drawings a Marc Chagall of a nude against a blue background sold to the Japanese trade for £207.059.

the masterpieces of modern and

The auction houses are firing on all cylinders throughout the medium range goods. Among world this week. Among the latest spectacular prices reported are a record for a Durer print—£290,625 paid by a dealer in New York for an early impression of the engraving the work of the engraving to childlent but the beach at Honfieur by the pression of the engraving to childlent but the beach at Honfieur by the pression of the engraving to childlent but the beach at Honfieur by the pression of the engraving to childlent but the beach at Honfieur by the pression of the engraving to childlent but the beach at Honfieur by the pression of the engraving the proposed that the procession of the engraving the procession of the engraving the procession of the engraving the medium range goods. Among the artist records was the artist record for a pastel of the engraver of

did well at £53,877. By chance Sotheby's yesterday was selling watches in London. Its top price was £25,300, paid by a Swiss dealer for a gold hunting cased tourbillon made by Henry Grosjean of Geneva. Christie's sale in London

yesterday — of 19th century works of art — was somewhat blunted when the foundry of Susse Frères in Paris withdrew well over a hundred bronze master casts dating from the late 19th and early 20th cen-turies, the work of Aume-Jules Dalou and Jean Baptiste Carpeaux, But the auction proceeded

and a pair of 19th century French bronze, copper, and silver plated busts of an Arab and a Jewish girl by Cordier beat their estimate, at £96,800.

Meanwhile, back in New York, a very fine early copy of Japanese trade for £207.059. the American constitution, pro-Obviously the very high prices duced on 19 September, 1787, paid in the last two weeks for sold for £62,599, double its

# FINANCIALTIMES

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Friday May 15 1987

# Setback in the Punjab

achieved in the world's largest and arguably most ethnically and socially complex demo-cracy. Among his key achieve-ments were accords towards solving long-running disputes in two of India's most tur-bulent states, Assam and

Punjab.

The state of Punjab has had a violent history. Once part of the neighbouring Hindu state of Haryana it became a fully fledged state in its own right only to find that the extremist fundamentalists among the majority Sikh population. lation intended to pursue the cause of a fully independent Sikh Khalistan (Land of the Pure) through violence and

#### Crucial breakthrough

The campaign to drive Hindus out and to attract Sikhs from other parts of India was predicated on intimidation on a scale comparable with some of the world's other intractable sectarian battlefields such as Ulster and Sri Lanka.

Mrs Indira Gandhi tried but failed to find a way out of the impasse, eventually resorting to the imposition of direct rule in 1983, a measure which lasted for two years until her son and for two years until her son and successor made the crucial breakthrough with the signing of the Punjab Accord in July Mr Gandhi has to decide quickly how best to negotiate therefore to see the accord in shreds and Mr Gandhi now treading the same path as his mother.

The accord schieved the remists, Ether way, direct rule will surely prove to have been much easier to impose than to lift, Mr Gandhi has to decide quickly how best to negotiate the Punjab state government's reconstitution with Mr Barnala apparently having lost credibility on all fronts.

THE SUSPENSION of the Punjab state government this week and the imposition of direct rule from Delhi is yet one more example of the serous political difficulties in which Mr Rajiv Gandhi is becoming ensnared.

In the heady days of 1985 Mr Gandhi scored a string of domestic policy successes, gaining widespread popularity as he started to show that economic, political and social reform really could be achieved in the world's largest Mr Gandhi failed to deliver on and arguably most ethnically

minister.

Allegations of corruption and ministerial links with extremists multiplied and Akali Dal split into feuding factions.

Mr Gandhi failed to deliver on the attempt of the accord key elements of the accord — most notably the designation of Chandigarh, the shared capital of Punjab and Haryana, as the capital of Punjab did not occur in January 1986 because of Hindu and Haryana objections. Support started to flow back to the separatists, and violence increased again, the death toll now being around 100 a month. Quick decision

There are suggestions that Mr Gandhi may have moved dramatically this week for short-term political ends: important elections are due next month in Haryana where Hindus are likely to applaud his Punjab action and where his battered Congress I Party urgently needs to do well.

urgently needs to do well.
On the other hand, the arrest of several Punjab political leaders including one of Mr Barnala's senior cabinet members among 250 militant Sikhs suggests that the accord may indeed have been compromised from within the state adminisfrom within the state administration with some of the various power-hungry factions in Akali Dal being linked to, or sympathetic to, the aims of the ex-

his mother.

The accord achieved the crucial alignment of the central accord and local moderate sikhs behind a policy of peaceful and substantial devolution, which still fell far short of full independence.

The result was that moderate sikhs united so enthusiastically behind the Akali Dal party, which was later elected to form the Punjab state government, that extremists became a tiny isolated minority, often hard

# Gearing up for housing

IF THE Conservatives win the election, the present low level of expenditure on building council houses is likely to persist. New ways of providing cheap rented accommodation will be required, partly to house the poor and relatively poor, and partly as a means of encouraging labour mobility. In theory the solution is total deregulation of private landlords, but in practice the benefits authorities much on bed-and-would take some years to work their way through, as is evident to a seriely for young fob-movers. would take some years to work oreaktast accommodation, and their way through, as is evident partly for young job-movers. From a study, The Housing The final £10m will be "chalmorass, just published by the lenge funding," to see whether Institute of Economic Affairs. the housing associations, of Even then, there are other difficulties in the way of such a subject to the country of their own ingenuity in devising appears.

The IEA authors, who favour deregulation, acknowledge that, under the present rent repate system, an unemployed man in the north might be worse off if he moved south to a job, rented accommodation, and a would continue to the state of rented housing to levels greater than lower-income tenants could afford.

# Challenge funding

The most attractive solution put forward so far has come from the Housing Corporation, which announced on Tuesday that it hoped to raise 170m on the capital markets this year to spend on building homes for rent by housing associations.

James Capel, the London stockbrokers, and Cipfa Services, the financial services arm of the Chartered Institute of Public Finance and Accountancy, will set up a trust which will miss money on the markets ancy, will set up a trust which will raise money on the markets and lend it on to the associations. The corporation did not go cap in hand to the private sector: in effect it asked for trusters. tenders, considered eight of them, and came up with Tuesday's arrangement It had previously gone, thinking-cap in 30-70 experiment works out place, to the Treasury, from well, it should be possible to which it extracted an agreement, year.

private and public fundings could be mixed in the propor-tion of 70 to 30. The effect is that taxpayers will be providing £100m of affordable-rent hous-ing for an outlay of £30m.

# Larger scale

There is plenty of ingenuity about. Under the Housing Corporation schemes, homeless families, for example, can be if he moved south to a job, families, for example, can be rented accommodation, and a given fixed-term tenancies. The lower rebate. They suggest a notoriously low "fair rent" ceiling on benefits, expressed as a percentage of previous net the 1980 Housing Act, which income in work. It is conceivable that a future Tory government that a future Tory government in an attempt to stimulate might find the political nerve to impose such a limit, but that viding for "assured tenancies" and freely-negotiated senter. to impose such a limit, but that widing for "assured tenancies" and freely-negotiated rents, story. For the overriding distortion in Britain's housing Like private landlords, housing market would remain in place. The upwards pressure on the price of building land, which is likely to stay artificially raised by James Capel. The would continue to force the ment's 30 per cent grant, market price of rented housing although other public money raised by James Capel. The booster-shot will be the Government's 30 per cent grant, although other public money will, of course, be spent on housing benefit for those who cannot afford rent.

The Housing Corporation, which was established in 1964, monitors and supervises the housing associations, which be-tween them own and manage some 500,000 homes. In 1986-87 housing associations spent 52 per cent of the total public funds allocated to provision of new homes for rent — although that total has shrunk steadily

since 1979. The associations are nonprofit voluntary organisations whose experience in housing than either large private landlords or the gigantic city council estate managers. They have a good track record, and the overriding authority of the Housing Corporation is helping to maintain it. If this year's

A victim of past successes, socialism faces the dilemma of how to attract newly affluent voters without abandoning those who are falling behind. Edward Mortimer examines the future of the left

HILE FRENCH Socialists feel they have suffered from being associated in the public mind with Marxism and so indirectly with the Soviet Union, that is hardly a plausible reason for the problems of the Labour Party in Britain or the Social Demo-cratic Party (SPD) in West

For whereas in France anti-Sovietism became intellectually respectable only in the late 1970s, in both Britain and West Germany it was probably at its peak in the 1950s and declined markedly with the coming of

detente.

It is true that East-West relations have been a battle-ground of party politics to a greater extent in Germany and Britain than in post-Gaullist France; but unlike in France. Soviet Marxism as a social system has hardly been an issue in either country. The reasons for disenchartment with socialism must, therefore, be sought elsewhere. be sought elsewhere.
Two main reasons are given

in both countries and would appear to be broadly applicable appear to be broadly applicable to northern Europe as a whole. One is that there has been a reaction against concentration of power in the hands of the state and trade unions. Seen as a result of social democratic policies, this was felt both to stifle individual initiative (supply side) and to be a prime cause of the 1970s infiation cause of the 1970s inflation (demand side). The other is the decline in importance and numbers of the old blue-collar working class in manufacturing industry, which had been social democracy's historic base.

Thus, social democracy is seen to be partly the victim of its own successes. It succeeded in creating a welfare state, in creating a welfare state, which came to be taken largely for granted. It succeeded in claiming a role in running industry for organisations which supposedly represent people in general (the state) or workers in the industry concerned, who see it as a way of guaranteeing their jobs at taxin particular (trade unions), to the point where that came to the point where that came to seem oppressive to individual citizens, including many indi-vidual workers.

It succeeded in presiding over technological change and a general rise in living standards, which together enabled many

which together enabled many people in salaried employment to stop thinking of themselves as working class—and there-fore natural Labour or SPD voters—and start thinking of themselves as middle class: con-sumers as well as producers, capable of switching from one party to another as they might between makes of car or wash-

But it failed to produce the sustained growth needed to satisfy the rising expectations thus created.

So the task which socialists or social democrats face, if they are to represent the future rather than the past, is three-fold. They have to make themselves attractive to relatively affluent employees, particularly in the new service and hi-tech industries; they have a associate themselves with some associate themselves with some positive value which does not imply big government or powerful bureaucratic organisations; and they have to achieve economic credibility, in the sense of proposing policies which do not sound likely to

# In search of more fertile ground

produce a return to high Dr David Owen and the Social inflation. Historically, socialism was understood to be about com- Tory chairman Mr Norman mon or collective ownership. Tebbit) who have been most But in post-war western Europe this notion has been steadily de-emphasised. The SDP has not been dogmatic about it since it dropped its exclusive allegi-ance to Marxism at the Bad Godesberg conference of 1959. Even parties which were fervent nationalisers in the re-cent past, like Labour and the French Socialists, are extremely

payers' expense: precisely the kind of guarantee that governments, whether socialist or not, can no longer afford to give. Increasingly, it is fashionable

cautious about giving pledges to reverse the privatisation pro-

Workers became as likely to switch from one party to another as they might between makes of washing machine

to argue that questions of ownership are no longer relevant. Instead it is suggested—for instance by Mr Volker Hauff, SPD spokesman on energy and environmental issues — that environmental issues — that socialism is about "kmiting economic power." Concentra-tions of power are seen as equally bad whether in private or nominally public hands, the role of the state being rather to prevent private monopoly than to acquire or create monopolies of its own.

In the UK it is of course

Democratic Party (no longer labelled "socialist" except by explicit in adopting this Ameri-can trust-busting philosophy. But Mr Roy Hattersley, Labour's Deputy Leader and Shadow Chancellor, seems not to be far behind.

Mr Hauff's preference is for privately owned industry but mitbestimmung with mitbestimmung (co-determination) on a basis of parity for worker and share-holder representatives — the former being elected directly by the workers in each firm, not nominated by trade unions and still less influenced by the A former IBM employee, with

A former IBM employee, with experience of business and modern technology, Mr Hauff is seen by some of his colleagues as typical of the new kind of leader the SPD needs in the "post-Brandt" age. "Representing a certain degree of efficiency, not dogmatism, not the old style of trade union culture," he is "the ideal candidate for Frankfurt"—symbol of West Germany's expanding

organisation, both for trade unions and for the welfare unions and for the weitare state — "more decentralised, more flexible, more really oriented to the needs of the people"; and it has to make environmental policy a central rather than marginal feature of its political message, recognising that industrial and technological development have negative as well as positive effects, and that "all these problems which are connected with environment, health, and historn working conditions . . . of the world with workers who it's not three issues, it's one fear the end of their factory."

Mr Gerhard Schroeder, the

who harrowly missed wresting control of that Land from the Christian Democrats lest summer, puts even more emphasis on this point. If Socialism for him means "the possibility to realise freedom in society," he thinks that whereas in former times this was accordally times this was essentially a matter of overcoming the oppression of man by man, today the crucial issue is "the

oppression of nature by man," and this is more difficult for a

democratic socialist party to

is seen by some of his colleagues as typical of the new kind of leader the SPD needs in the "post-Brandt" age.

"Representing a certain degree of efficiency, not dogmatism, not the old style of trade union culture," he is "the ideal candidate for Frankfurt"—symbol of West Germany's expanding tertiary sector, so far frustratingly impervious to the SPD's appeal — according to his fellow deputy from that city, Mr Karsten Voigt.

In order to win the support of this sector's workforce, Mr Hauff says the SPD has to of this sector's workforce, Mr. Hauff says the SPD has to escape from its traditions in two crucial respects: it has to come oppression of nature, because they know—or think they know—that to overcome oppression of nature, because they know—or think they know—that to overcome oppression of nature that they know—that to overcome oppression of nature that they know—that to overcome oppression of nature that they know—that to overcome oppression of nature.

interests," because they themselves the oppressors. "I think that's the main problem for all parties, but especially for all democratic especially for all democratic socialist parties because we organise the people who fear that, by overcoming oppression of nature, their interests and their life will have to change." Or, as Mr Freimont Duwe, the Hamburg publisher and some-what untypically behemian SPD member of nationent, suts it: member of parliament, puts it:
"It's difficult to discuss the end

Yet it seems almost an article

SPD leader in Lower Saxony of faith with all these SPD who narrowly missed wresting leaders that discussion of "the leaders that discussion of "the end of the world"—le disarmament and ecology—is the key to the new electorate working in hi-tech and sorvice in hi-tech and service industries. That, of course, is because it is the Green party which is competing most successfully with the SPD for that new electorate's support.

Only a minority among the Greens actually defines itself as "eco-socialist," but the feeling in the SPD is that the Greens really belong within the socialist movement and that their presence as a separate party in the Bundestag, ance 1983, represents a defeat for

It's difficult to discuss the end of the world with workers who fear the end of their factory'

that movement. This is blamed on the insensitivity of its more traditional organisations—and of the SPD in government during the 1970s—to the ecologi-cal dimension of politics which so preoccupied the new generation and the new class.

In France by contrast, for reasons that have yet to be adequately explained, the ecological movement which was active and influential in the 1970s has all but disappeared since the left came to power in 1981, with the result that while

the environment receives lip-service in French Socialist manifestos, it is certainly not regarded as a central feature of socialism. Nor is it in Britain, though the pressure on all parties here to take it into account is certainly greater than in France.

In both Britain and France, the main challenge to socialism is social, rather than ecological, and its greatest weakness lies in its apparent inability to promise credibly to do away with mass unemployment. But common to all three countries common to all three countries is the dilemma of seeking to attract a new class of voter while keeping faith with the traditional grassroots; and of identifying with the aspirations of the two-thirds of the population who are growing more prosperous without abandoning the one-third which is falling behind.

In the last resort, the only hope for a revival of socialism must lie in its ability to awaken the concern of the up-andcoming classes about the con-coming classes about the con-sequences for society as a whole of leaving the others too far be-hind. The draft programme of the SPD, which will be adopted — no doubt with some amendments—at its conference next year, identifies three "fun-damental values of democratic damental values of democratic socialism": freedom, justice/equality and solidarity. The first of these, essential as it is, is hardly the exclusive property of socialists. The second is perhaps still tarnished by the grey, kill-joy egalitarianism which socialism has too often turned out to mean to practice. It is the last defined by the draft as meaning "a commitment by the whole of society to the individual in need," that seems to have the greatest potential as a socialist message for the 1990s.

#### Over the wall

Ladbroke shares, recovering from last week's spate of negative rumours, have a friend in Liverpool. Stockbroker Charter house Tilney yesterday ful-somely recommended the betting, hotels and retail group as a "four-division accumulator in growth."

The 19-page circular, pre-pared before last week's events, gives no hint, however, that Ladroke's financial adviser (with client-merchant bank relations as close as any in the City) is the sibling company, Charterhouse Bank. Victor Blank, Charterhouse

chief executive, said yesterday that he had not seen the circular before publication on the other side of one of the group's "Chinese walls." He agreed, however, with the decision not to declare an interest in the circumstances.

"The minute you start trying to do that you compromise the integrity of the research department and the brokers."
"If I wanted them to write
a pro-client circular, there's no way on earth that they would do it." Blank said. "They are vehemently independent and stand on their own two feet."

# Return match

Old Oxford chums, Lawrence Banks of Robert Fleming and Christopher Bland of London Weekend Television, have had another meeting of commercial minds. This time it is through the Fleming-sponsored shake-up at Phicom, the life sciences

terday after Fleming acquired 60 per cent of the company from Magnum Corporation, a Malaysian group, and distributed most of the stock to institutions.

Banks convinced Bland to put all his cash into Sir Joseph Causton and Sons in 1977. It paid of handsomely. Bland was responsible for that company's remarkable turnaround which

Bland became chairman yes-

# **Men and Matters**

saw market capitalisation rise from £800,000 to around £20m at the time Norton Opax took it over seven years later. over seven years later.

Can he do it again? "That would be rather heavy, but nice," he says. The market seems a little more confident. Phicom rose 40 per cent follow-ing the announcement.

#### Bishops' move Unlike secular Britain, the

bishops are proving to be an important factor in the forthimportant factor in the forth-coming Italian general election. The pressing matter in Italy is which party do the bishops wigh the faithful to support in the election to be held just three days after the British have been to the polls. For 40 years, the question has been somewhat academic. has been somewhat academic. Just after the war support for

the communists was a church offence punishable by ex-communication. The lay parties were by definition to be avoided because of their anti-clericalism, which meant that the Christian Democrats (what's in a name?) were intended to reap the electoral harvest of clerical support. As indeed they did and have, although the party's share of the vote has fallen from 48.5 per cent in 1948 to 32.9 per cent in the 1983 elections — a de-cline which owes something to the weakening of religious com-

mitment in Italy.

Perhaps thinking that they needed to raise their voices more than in the past, the Italian bishops, in conference at the weekend, put out a declaration which experienced com-mentators thought more ex-plicitly an endorsement of the Christian Democrats than any previous statement.



"Overdrawn—hasn't that unknown businessman repaid my Contra cheque yet?" Urging the faithful to go out and vote, and in doing so to be loyal to the Catholic tradition

of "unitary commitment," could, it seemed, only be read one way. Certainly, the other parties divined a political preference and they variously accused the church of interfering in domes-tic politics and of falsely allo-cating Christian values to just

one party.

Monday appeared to bring emollient clarification when the secretary general of the conference, Monsignor Camillo Ruini, issued another statement.

The bishops, he said, had wanted "to give a hand to the country, not the Christian Democrats."

But apparently, this week was not the impression the bishops wanted to give either. Along came yet another statement on Tuesday asserting that Monsignor Camillo had not really given any interpretation or clarification on what the Church meant to say.

# Birt's goal

John Birt, the Friday afternoon footballer who is about to be-come deputy director general of the BBC, is feeling some frustration about his transfer from London Weekend Televi-

For almost a year Birt, direc-tor of programmes at LWT, has been chairman of the working party planning ITV's election; coverage. But because of his imminent move to the BBC, Birt had to drop himself from the compittee. He will arrive at the BBC on

Tuesday week, right in the middle of the campaign and too late to influence coverage Birt will, however, find the main combined evening news and election programme on ABC 1 of interest. For the first time the talents of news and current affairs journalists will be combined — and creating a new directorate by com-bining the news and current affairs armies throughout the BBC will be Birt's main goal

# First aid

A reader staying in a luxury hotel in Sona, Bulgaria, re-cently received a note from the management, pushed under his door, which listed some rather disturbing plans concerning that day's hotel maintenance. It concluded. "We sincerely hope that we will not cause you have much inconvenience by distoo much inconvenience by disconnecting the (telephone) lines, and cutting off the water supply—and look forward to welcoming you to our health

**Observer** 



John Plender examines the structural reasons why Japan finds it difficult to respond to demands for domestic economic expansion

# No amount of arm twisting

will work CALLS BY Mr James Baker, mitment in Washington to the US Treasury Secretary, for export \$300a to indebted counmonetary and fiscal expansion tries in the Third World in Japan and West Germany implies partial acceptance of have become part of the ritual of international economic diplomacy. Far less orthodox than highest level in the Ministry of Private Viction deviations are

Mr Baker's performance at Finance visiting journalists are this week's meeting of the assured that Japan will need to this week's meeting of the Organisation for Economic Cooperation and Development in 
Paris was the demarche undertaken by the Japanese Government in a bid to prop up the 
dollar. Just before the 
announcement of a record April 
trade surplus with the US, 
officials asked chief executives 
of leading financial trading of leading financial, trading and industrial concerns to refrain from speculative foreign exchange transactions.

Unfortunately neither approach seems likely to do much to encourage domestic expansion in Japan and to reduce the US-Japanese trade im-balance. Indeed, one of the overwhelming impressions that the foreign visitor brings back from Tokyo is that conventional monetary and fiscal tools are not, in themselves, enough to monetary and used tools are clina, with its desperately not, in themselves, enough to under-developed economic indo the job and no amount of frastructure, becoming a significant jawboning will prevent a turbing — a point that appears dollar decline if that is what to be understood in Peking. the markets want.

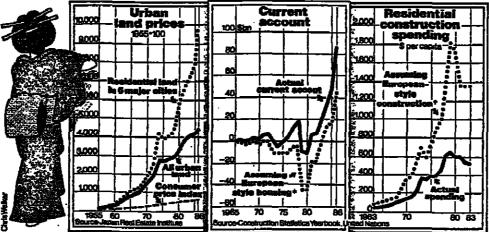
The real key lies in struc-tural reform to correct Japan's savings-investment imbalance, which is the counterpart of the trade surplus. Yet this cannot be done unless Japan recog-nises its wider international responsibilities. As the world's biggest creditor nation, with external assets that will top \$300bn this year, it has to open up its domestic markets and must ultimately be prepared to run a trade deficit if its debtors are to service their debts.

Mr Yasuhino Nakasone, the

assired that Japan will need to run a trade surplus in the 1990s. With the US cutting back its deficit, however slowly, who will be prepared to run the counterpart deficits to the Japanese surplus?

Mr Yoshio Suzuki, president of the Institute for Monetary and Economic Studies of the Bank of Japan, says he expects the deficits to be spread mainly between the US and lessdeveloped countries in the Pacific such as Singapore, Malaysia, Hong Kong and China. Yet this hardly seems plausible. The successful newly industrialising countries in the Pacific show appraise inclination. Pacific show every inclination to follow Japan's mercantilist example in running trade surpluses. And the prospect of China, with its desperately

The chief obstacle to a con-ventional fiscal stimulus meanwhile, lies in distortions in the property market, which is experiencing an even bigger speculative bubble than the stock market. This has rightly been identified in successive reports by Mr Haruo Maekawa, a former governor of the Bank of Japan, as an overwhelming cause of the domestic imbalance between savings and invest-



development can take up to 20 years for any developer who can be bothered to try. The Japanese people, in the meantime, are forced to save excessively, to invest in poor-quality housing which is so cramped as to constrain their ability to have consumer stoods.

One implication is that any attempt at fiscal stimulus through investment in infrastructure does more to redistribute wealth than to increase demand, because more than 90 per cent of the expenditure goes on land purchase. Another is that greater efficiency in land use could dramatically trans-form the potential for domestic economic growth. Mr Richard Koo, of Nomura Research Institute, has used

UN construction statistics to calculate the effect of applying European construction standards to Japanese residential floorspace. He concludes that residential construction spend-ing would have been more than double over the past 20 years and that Japan would not have moved into current-account surplus until 1984 if filmsy Japa-nese homes with an average life of 25 years had been replaced by West German-style building standards. This swap would also have provided an enormous domesic investment outlet for the growing savings mountain.
A similar impetus to domestic growth could be delivered if the

Government were prepared to address another aspect of the land problem—agricultural pro-tection. As US politicians quite reasonably point out, grossly inefficient Japanese rice farmers

ket to as much as \$300,000 a produce to domestic consumers square metre; site assembly for at up to eight times the world an efficient multi-storey office market price. Yet there is little market price. Yet there is little prospect of liberalisation because farmers are part of the bedrock of the ruling Liberal Democratic Party's support. Nor can urban land be liberalised without inflicting heavy financial losses on much of the population, both directly and through the stock market where

share prices rely partly on inflated land values for support. At the OECD meeting this week Mr Mitsuki Kato, the Japanese Agriculture Minister. was busily and predictably emphasising his Government's worries about increasing its reliance on imported food. That, together with Mr Nakasone's recent defeat in parliament over sales tax, is a powerful indication of the obstacles to structural reform.

We have, in other words, reached the limits of economic interdependence. Interest group politics in Japan have paralysed attempts to cope with the imbalance of savings and invest-ment. On the American side, ment. On the American side, President Reagan is unwilling to address an equal and opposite imbalance by raising taxes to cut the US budget deficit. Home-buyers in Iowa no more know that they owe their cheap mortgages to Japanese savers than the Osaka factory-hand realises that Japan is more volperable in a trade is more vulnerable in a trade war than the US.

ment.

Tight planning controls and heavy taxes on land sales have pushed land prices in central Tokyo's very fragmented mar-

and the western urge to con-sume. As with the very similar process of bank intermediation between oil producers and con-sumers after the oil price shock in the 1970s, there is a hang-over after the party. The US/ Japanese imbalances on both current and capital account have reached unmanageable proporreached unmanageable propor-

For the moment the ageing Japanese population, together with the sagging growth rate, will ensure that savings will continue to pile up and look for outlets overseas. The only capi-tal market that can absorb this enormous flow without difficulty is that of the US, which is why Japanese were reluctantly tempted into US Treasury bonds last despite their earlier

In the absence of structural reforms, the savings investment imbalance will not go away. Hence the growing suspicion among economists that there is little alternative to further US protectionism and a further appreciation of the yen. Neither will cure the trade surplus. But they could administer a powerful external slock to the Japanese political and economic structure, without which it is hard to see the emergence of a consensus for change.

A stock market crash in Tokyo, in response to corporate bankruptcies induced by a higher yen, would be painful. Capital mobility would also enwhen the benefit of hindsight, around the world. But a shock the liberalisation of capital flows of this kind may yet prove to be in the present economic cycle has been instrumental in the longer-run Januar the backwash was felt around the world. But a shock of this kind may yet prove to be in the longer-run Januar the backwash was felt around the world. But a shock of this kind may yet prove to be in the longer-run Januar the backwash was felt around the world. But a shock of this kind may yet prove to be in the longer-run longer-ru has been instrumental in permitting the two largest economies in the free world to defer confronting their problems. The terest, as well as that of the rest of the world. For if anything is clear, after the huge losses that the US has imposed on Japanese

# **UK** employment

# Too much pessimism about the market

By Lord Young

all the key facts about the labour market during 1986. The employment figures have been revised since Professor Layard's original article and the

of jobs increased by 144,000.

Unemployment has fallen, with the rise in the first half of the year being more than offset by the substantial fall of around 100,000 in the second

Even on the indicator pre-ferred by Professor Layard—the employed as a percentage of

population of working age— there has been an improvement over the year. True, it is not a huge improvement because the

population of working age continues to rise, but it exists.

UK EMPLOYMENT

latest figures show:

MOST people would agree that increase became reflected in ber of trainees, most of whom the simple definition of an improving employment scene is more jobs. Others prefer fewer people unemployed. But, out-side both of these definitions, lie a variety of other indicators. There has been a lively correspondence in the Financial Times about both the definition of an "improving employment scene" and how that scene has changed.

The definition preferred by Professor Layard, and appar-ently by Samuel Brittan too, is the number of jobs as a percentage of the population of working age. Now that is a rather odd

definition as there is no real link between the two: the proportion of the people of working age who want a job varies from time to time. This is called the activity rate. It is possible to have a constant population of working age but actually seeking job opportuni-ties due to changes in activity rates.

But the indicator preferred by Professor Layard is further confused since increasing the population of working age can, by itself, adversely effect the employment scene. The US has shown that a flexible economy with low unionisation can absorb a large increase in popu-lation of working age. But that simply did not happen in the infexible economies with high unionisation of Britain and Europe. Between 1979 and the two-year Youth Training infinity working age rose by 1 m. That have been an increasing num-

our unemployment figures.

Professor Layard used his preferred definition with the recent employment statistics to conclude that "performance of the job market looks pretty dismal" (FT February 11) and that we have "static employment topportunities" (FT April 11). I suspect that, for once, the politician in him got the upper hand, for his assessment of recent changes in the labour market is far too pessimistic. He took small movements in incomplete and provisional information and made a wrong assessment.

The table below summarises in the table provisional information and made a wrong assessment.

The overwhelming reason for trainees, most of whom are not counted as employees. If, as we should, we were to add in these trainees to the calculation of people employed as a percentage of the population of working age we would have an even better pictory and incomplete and provisional information and made a wrong assessment.

The overwhelming reason for the fill in which was that if anything, in the monthly count overstates unemployment.

The overwhelming reason for the political in these trainees, most of whom are not counted as employees. If, as we should, we were to add in these trainees to the calculation of people employed as a percentage of the population of working age we would have an even better pictory and the most straightforward inmonthly count of the unemployed is confirmed by the annual Labour Force Survey which shows that, if anything, the monthly count overstates unemployment.

The the formation are not counted as employees.

The most trainer, the counter to the calculation of people employed as a percentage of the population of working age we would have an even better pictory and the most straightforward inmonthly count of the unemployed.

The most trainer, the most straightforward inmonthly count of the unemployed.

The provisional information and made a wrong assessment.

sessment.

The overwhelming reason for the table below summarises the fall in unemployment since the middle of last year has been the middle of last year has been an increase in employment and the figures show that. The increased uptake of YTS trainee-ships as the two-year scheme has developed may also have contributed. I hope that our Employment has risen, contributed. I hope that our especially in the second half of Restart programme will also the year when the total number continue to help in channelling long-term unemployed people towards the labour market. This is confirmed by indications that long-term unemployment was falling in the second half of

the year.
All these figures cover only 1986, but unemployment has continued to fall substantially in every month during 1987. It has now fallen for each of the about 200,000. Of course we all want to see that fall continue. But attempts to deride that success through using odd definitions based on out-of-date information do nothing to help.
The author is Secretary of State for Employment.

# Change first half 1986 71.51 \* Thousands, seasonally adjusted (except YTS non-trainee figures which are \*\* Based on estimates for June 1985 and projections for June 1986 and 1987.

#### Can America make it?

Sir,—Many readers must be perplexed by the appearance of your new series of articles "Can America make it?", depicting Uncle Sam as an economic dinosaur facing imminent extinction. Can this be the same America, they are doubtless wondering, which a short time ago was being ex-tolled by Mrs Thatcher and Mr Lawson as a paragon of econo-mic dynamism which we must strive to emulate?

If it is true, as suggested in the first article (May 11), that much of US manufacturing industry has falled to respond to international competition or to invest sufficiently in new technology what price the technology, what price the famed entrepreneurial spirit or the market disciplines enforced by corporate raiders? And should we really be seeking to follow a model whose vaunted success in creating jobs has only been achieved at the price of stagnating productivity and falling living standards?
For those who have been

studying comparative trends over the years a more intriguing question is how it has been possible to sustain the myth of American economic strength for so long. The fact is that productivity in the US has consistently grown more slowly than in the rest of the OECD for at least the last 25 years and its lack of competiyears and its lack of competitiveness was a major factor behind the dollar collapse of 1971. Yet now that the reality has become inescapable we surely need to ask whether there may not be some connection between the economic decline of the US—and of its chief rival in industrial in chief rival in industrial in-efficiency, the UK — and the fact that these are the two countries where finance capital enjoys least restriction on its ctivities and where sequently managerial thinking sequency managerial tunking is dominated by speculation, asset stripping and chronic short-termism — in contrast to approach of Japan, South Korea and much of Continental

Europe.

If your series can focus on such questions unpalatable the (however rather than pander to delusions about "enemies within it will have served a valuable purpose. Harry Shutt, The Grange, Hillside, Horsham, Sussex.

# Life assurance

companies Sir.—It is to be hoped that the views expressed by the chief general manager of the Sun Alliance Insurance Group (May 12) are not widely held in the

# Letters to the Editor

special protection, which is pro-vided by statute, notably in re-quiring the appointment of an independent actuary, and in re-stricting the activities in which a life company may engage. But that does not make direc-tors of a life office "in effect

tors of a life office "in effect trustees for their captive policy-holders" (whose status is that of creditors, with or without a right of participating in profits), and still less does it make life companies "improper targets for disputed takeover bids." The policyholders of Eagle Star (of whom I am one, as well as being a former shareholder) being a former shareholder) have not suffered from its disnave not suffered from its dis-puted takeover by BAT Indus-tries; and Mr Bowler may have forgotten that in 1965 Sun Alliance made a successful offer for the shares of London Assur-

for the shares at an ance.

The fact that Sun Life has been a satisfactory investment for Sun Alliance cught to be the primary, not "an additional," reason for Mr Bowler's support. The preservation of the status case as an end in itself status quo as an end in itself is apt to preserve inefficiency

Talking down to the natives From Mr P. Wood

From Mr P. Wood

Sir,—Talking down to the natives has been a pastime in England (my experience of Wales is limited) for as long as I can remember. The assumption that manual workers or even foremen, as in the advertisement (May 14) by the Geoffrey Morley pension fund, have limited horizons and no contact with the sort of information possessed as a matter of course by your readers and of course by your readers and by Morley's managers may be factually correct but the very assumption is a serious reflec-tion on industrial relations and on the company managements to which the advertisement is

appealing.

Down here, of course, our natives do indeed lack an acquaintance with pension funds, with supply-side economics, with Proust and the better sort of claret, but they compensate for this by working very hard at least six days a week for long hours, taking short lunch breaks, helping the community and the Church and address threated with comments. making shrewd, pithy comments

Of course life assurance is a which the rest of us can use long-term business, and for that reason policyholders need special protection, which is provided by statute, notably in re-Peter Wood

Newbold Farm, Duntisbourne Abbots, Cirencester, Glos.

Privatising electricity From Mr R. Brown

From Mr R. Brown
Sir,—If Mr Henney (May 1)
is seeking better-founded facts
than his own, he might start
by examining the National
Utility Services (NUS) survey
statistics published in your
newspaper on April 30, Despite Mr Henney's statement that Mr Henney's statement that Virginia Power (a typical US utility?) has access to fossil fuel at about 60 per cent of the prices paid by CEGB, the NUS figures indicate that US industry pays 6 per cent more for its electricity (some 80 per cent of which comes from investor-owned utilities) than the UK, with West German in-dustry paying some 53 per cent

more. Mr Henney's vision apaprently for a privatised ESI (electricity supply industry) where, to ra start, massive import substitution would provide access to cheaper fuel (with the loss of all but a handful of existing coal mines) and cheaper plant (with the demise of the remaining UK power plant manufacturers) and create a deteriorating balance of payments position. To increase trading profit further still, it would appear that he proposes a reduction in staff and salaries (especially en-gineers' salaries) notwithstanding the fact that staffing costs account for only some 10 per cent of total costs in an organ-isation such as CEGB. Pre-sumably Mr Henney has no qualms over employing an in-adequate complement of staff of below-average ability and experience as custodians of the ESI's assets of some £36bn and is equally unconcered about sacrificing safety and reliability on behalf of unwitting con-

Mr Henney is adept at pointing up the disadvantageous position in which electric utili-ties in Germany, New York and Japan can find themselves in international comparisons, but ignores parallel disadvantages facing the ESI which include the internal generation (from customer receipts) of its capital customer receipts) of its capital Town Hall, investment requirements and its King Street, W6.

negative external financing l negative external financing limit( planned to be £1.4bn for

No attempt is made to idenany benefits to UK Ltd the consumer that might result from privatisation, and one is left to conclude that the prin-cipal proponents will be those motivated by notions of windfall profits, private gain at the expense of public service, and party dogma.

R. Brown. 11, Stanhope Gdns, N4.

Local authority borrowing From the Leader of the

London Borough of Hammersmith and Fulham

Sir,-Both Gordon Prentice Sir,—Both Gordon Frence (May 12) and Simon Knott (April 30) have misrepresented the points I made in my letter of April 24. The elected council in 1990 will be facing a financial abyes created by this arrange. Left-wing council. extreme Left-wing council, which is bent on a policy of creating a cash crisis—in my view another word for bankrupicy.

The starting point for the council at that time will therefore be to slash the frightening bureaucracy that has been created, but even after that there will be insufficient there will be insuricient resources to meet all commitments. For example, almost all our capital allocation will be taken up funding the debt it has created leaving nothing for vital housing improvements, since the £100m deferred purchase money will have been properties. used up.

At that stage the councillors will have to decide between neglecting their statutory duties to the citizens of the borough, or to pay back the horrendous debts incurred.

Let me illustrate the magnitude of the problem by pointing out that this year the council has increased the borough rate by 127 per cent, and a further rise of at least this amount is already committed next year unless we are rate-capped. This administration will continue along such a path, or by an financial means that anyone can devise, to spend, spend, spend until 1990.
My original letter sought to
point out that no system of local

government finance can be made to work when elected members deliberately set out to ignore "ideas about sound financial management too often clouded by a static view of politics." What is, however, unforgive able is for banks to aid and abet such local authorities to carry out such unsound financial policies and they will only have themselves to blame for the inevitable consequences. (Councillor) Peter Princes.

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# FINANCIALTIMES

Friday May 15 1987

**P-E** International plo MANAGEMENT AND COMPUTER CONSULTANTS

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# State of emergency declared after Fiji coup

BY ROBIN PAULEY, ASIA EDITOR, IN LONDON

A STATE of emergency was de-clared in the Pacific Island of Fig. by the Governor General last night following a bloodless coup led by the Fijian Army's third

Australia, New Zealand, India and Britain led a wave of international protests against the coup, the first time in the South Pacific region that a democratically elected government has

been overthrown by the military. Mr David Lange, Prime Minis-

ter of New Zealand, said he did not rule out a regional response to any call for help from Fiji's legitimate leaders. Mr Bob Hawke, Australia's Prime Minister, said his country would not intervene

militarily at this stage. Brig Epeli Nailatikan, the Fijian Army chief, and his deputy were in Australia when the coup occurred. They rejected the idea of outside military intervention.

Brig Nailatikau said he was commander in chief and would return to Fiji as soon as

However, the coup leader, Lt Col Sitveni Rabuka, said he had sacked his superiors, made the Governor General redundant, re-shuffled the police force and as-sumed the role of both army chief and acting head of state until he could appoint a council of

ministers. New elections would be called later. Lt Col Rabuka and 10 booded soldiers had stormed the parlia-ment building and arrested Dr Timoci Bayadra, the Prime Min-

ister, and his predominantly In-They were bundled, unharmed, into trucks and driven to an ar-

came less clear, however, yester-day when Rain Sir Penaia Ganilau, the Governor General of the former British colony, which gained independence in 1970, found a way to speak directly to the nation. He said in a broadcast on a commercial radio sta-tion that, as the representative of the Head of State, Queen Eliza-beth, he had assumed executive

my camp as Lt Col Rabuka sus-pended the Constitution. power "in the temporary absence of ministers of the Crown"

Chris Sherwell looks at the dangers and opportunities presented by yesterday's military uprising

# Falling into the Third World trap

state of Fiji, the first successful mil-displayed a re-awakened interest: itary overthrow of an elected gov-ernment in the region, is the start colonial presence; and Libya has reof a journey down an uncertain and cently entered the fray.

It is also the unexpected climax hope as well as worry. Hope, beto a series of events which, al-though beginning with the election democratic system and its profes-four weeks ago, have their origins sional army may have some roots. in 96 years of British colonial rule Worry, because of the threat which

familiar to historians of African and Asian Third World countries.

its 720,000 population spread was not until 1858 that Britain across 100 ettractive islands is over- placed a consul in the country and dependent on a single crop, in this 1874 that Britain became the colonicase sugar, and on tourism; suffers all power. Thereafter it did not take young institutions.

• the country has an inflammable grant workers to be brought in. mix of two races, indigenous Mesmall majority.

tended to favour the tribally orga- when his ruling Alliance Party was nised Fijians and leave the Indians, defeated in the election. despite their superior economic power, feeling as if they are second-

the target of intensified superpower ed up forming the Government - in and regional power rivalries. Apart 1977, a minority government which from the US, Australia and New lasted only six months.

BY PATRICK COCKBURN IN MOSCOW

re-assured demonstrators that pro-

mised reforms and changed would

announced

YESTERDAY'S bloodless army Zealand, all of which have long coup in the South Pacific island been active, the Soviet Union has

All this means there is cause for and 17 of independence. a coup poses to regional security as

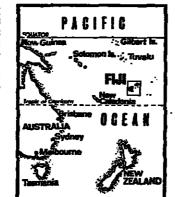
If there is much about Fiji which
is unique, there is also much that is

ment and tourist arrivals.

from a weak infrastructure and long for the sugar industry to be-young institutions. long for the sugar industry to be-

When the country became indelanesian Fijians and long-resident pendent in 1970, Ratu Sir Kamisese migrant Indians, with the latter in a Mara, the Chief Minister, became Prime Minister, a position he con-• its political and social system has tinued to hold until last month

It was the fourth poll since independence. In each case the Alliance class citizens. had taken on the Indian-dominated its neighbourhood has become National Federation Party and endhad taken on the Indian-dominated



Last month, the National Federation Party ran with the new trade union-linked Labour Party in an unusual multi racial coalition. At the end of the customarily lengthy elec-

tion and counting process, it emerged with 28 of the 52 seats. This promised to be more than just the first multi racial government. It would be the first with a majority of Indians in it; it would be supported by the union movement and - most intriguing of all, internationally - it would be committed to a non-aligned foreign policy.

In particular, the new Governsupported the idea of nuclear-free zones, and its stated intention was to follow New Zealand and operate

a ban on port visits by nuclear-armed or nuclear-powered ships. This represented a radical depar-

ture from the pro-Western stance of Ratu Mara, and prompted serious worries in London and Washington. Rightly or wrongly, Sir Geoffrey Howe, the UK Foreign Secretary, chose not to make direct contact with the new leadership on his way back from Australia and New Zealand last month, even though he made a refuelling stop there. It was said to be too soon for such a visit the new Government had not set-

Gen Vernon Walters, the muchtravelled US Ambassador to the United Nations, on the other hand, made a highly publicised stop in Fiji during his recent tour around the region, and delivered the now familiar reminder that US policy was not to reveal details about its naval

tled down.

Inevitably, speculation about causes of the coup have embraced all possibilities, including US, Soviet and Libyan involvement. But most theories have tended to focus on the internal situation in Fiji since the election.

Despite repeated assurances by Dr Timoci Bavadra, the new Prime ment said it was anti-nuclear. It Minister and himself a Flian, Flian concern about loss of power and influence boiled over into peaceful but unprecedented street protests ji's future.

in the last week of April. Since then, a former cabinet min ister has been charged with sedi-

ator has appeared in court in connection with arson attacks on of fices used by a new minister. Embarrassingly, further demon-strations delayed a swearing-in ceremony and the governor-general's

tion and released on bail, and a sen

speech at the opening of the new Parliament. It seemed increasingly plausible that the protest and demonstrations might be escalated until the military was asked to help keep law

and order. This would put the army, 95 per cent Fijian, in a difficult posi-Lt-Col Sitiveni Rabuka, who led yesterday's intervention while his senior commanders were out of the

senior commanders were one of the country, alluded to just this possib-ility in explaining his action. "After monitoring events of the past few weeks." he said, "and with information about planned activities of certain groups in the commo nity, I believe it was in the national

Ratu Mara has been curiously silent throughout all these events. Last night, where he stood - and more importantly, where the armed forces chiefs, the governor-general and the British Government stood assumed critical importance to Fi-

# Politburo official addresses Moscow demo BAe to get £450m aid for Airbus

BRITISH AEROSPACE yesterday declared itself "well satisfied" with a UK Government decision to provide £450m (\$751m) in launch aid towards its part in the development of the next generation of Airbus In-

BAe had originally sought £750m for its participation in the intercontinental A340 and the medium range A330 projects.

Britain has become the first government to decide on launch aid requests from the Airbus Industrie consortium members - Aerospatiale of France, Messerschmidt Bölkow Blohm's Deutsche Airbus subsidiary, each with 37.9 per cent, BAe with 20 per cent and Casa of Spain with 4.2 per cent.

Announcing the decision in the House of Commons yesterday. Mr Paul Channon, Trade and Industry Secretary, said: "At this stage, our support is conditional upon our partner governments also making the arrangements that are neces sary to enable their manufacturers to participate in the project."

Full support from the West German Government looks in doubt Mr Gerhard Stoltenberg, the West German Finance Minister, said last night the DM 7bn (\$3.9bn) being sought by Deutsche Airbus to re-solve a number of problems was "too much."

The West German Government has given general political backing to the idea of widening the Airbus airliner family, but the Finance Ministry and the Economics Ministry, responsible for aerospace, have been trying hard recently to in-crease the share of funds put up by German industry rather than the

Mr Stoltenberg said the Government wanted to strengthen the industrial base of Deutsche Airbus a a condition for contributing to the new Airbus projects.

# Bonn dashes tax cut hopes

The West German Government believes it has to make some sort of gesture - such as the statement in Paris yesterday - to parry foreign criticism of Bonn's growth policies But in private officials declare themselves relatively satisfied with the current position.

THE LEX COLUMN

# Sisters, but not twins

England's annual report. As seen in

houses were making a pre-tax re-

turn on total equity of just under 25

per cent in 1985 - up from 20 per cent in 1984 - and since revenues

increased by at least 30 per cent in

1986, that figure was probably still

Having spent some years in a

them. At the same time the latest

deals, notably Heublein, show a

welcome determination to buy busi-

If the new (mostly promoted)

management can sort out the black

spots while the profits come

through from the other purchases,

tough times of last year.

its strengths.

It is strange that as Shell and BP appear to be moving in opposite di-rections strategically, the rating of their shares has most spectacularly converged. On most assumptions of dividend growth this year, the yield on BP shares is about 4.9 per cent, with Shell only marginally dearer at 4.8 per cent. While BP has certainly made tre-

mendous improvements to its downstream operations, even the company itself conceded yesterday that it was not yet a complete match for Shell in retining efficiency. And, although the \$7.5km stan-dard Oil acquisition appears to make excellent sense, BP is now about 50 per cent geared whereas Shell, having repaid £1.2bn of debt in the first quarter, has a complete-

ly clean balance sheet.
Further shead, while Standard deal will give BP full, and tax efficient, access to a stupendous stream of hydrocarbons, it does improving as the Titanic sailed to-wards Big Bang. nothing to fill the reserve gap in the

Difficult as it may now be to comprehend, the purchase of the Stan-dard Oil minority may just be a deal which is designed as the ful-Grand Metropolitan perhaps too enthusiastic pursuit of crum for some more far-reaching acquisitions, supposedly, though not always apparently strategic, Grand Metropolitan is now set on on the task of actually managing

It is almost spine-tingling to con-template Shell's capacity to gear up. For Shell's balance sheet to take on the gearing now tolerated by BP would require an acquisition of \$25bn. That is not an idle concept, particularly as Shell is not intending to follow the path chosen by Exxon of shrinking through a programme of purchasing its own

Such gigantic manoeuvres were not much on the stock market's mind yesterday. It was just going about the sensible business of responding to some very respectable first-quarter figures from the European branch of the Seven Sisters.

The results, to the extent that they are comparable, are remarkably symmetrical. BP's replacement cost net profits were down 56 per cent, Shell's by 54 per cent. Yet, while Shell's share price gained 2 per cent to £13%, BP's jumped 4 per cent to 356p. When you're hot, you're hot.

# **Inner profits**

tantalisins se into the true

another follows the exercise machine company - not so long ago considered to be in such an attractive market.

The main short-term concern is that even if GrandMet gets its lines right, the dollar will hinder profits while the rising tax charge slows earnings growth. If a 4 cent adverse move in the first half cost £6.6m. the larger fall in the dollar since must hit the second half even

Heublein will more than pay its dollar-denominated interest charge, though, and pre-tax profits, includ-ing property, should top £440m (£367.7m). A prospective multiple a touch over 14, with the shares up 5p the banking returns, the accepting to 526p, is not asking too much of

#### Saatchi & Saatchi

Saatchi & Saatchi shares have struggled so hard to recover from last year's ultra-heavy rights issue that thoughts of a repeat performance must be the last thing on any Saatchi's mind. So it was particularly unfortunate for the analysts to come back from yesterday's results briefing convinced that an-other demand for equity was about to be unleashed. Given the perfectly respectable

degree to which earnings growth had outpaced the increasing number of shares in issue - by a bit nesses which more obviously add to more than market expectation, in fact - it seemed a perverse reaction to go home and sell the shares down 5 per cent, to 624p. After all. Saatchi has not only persuaded the acquisition arithmetic to work, but shown a significant margin imthe outlook for profits growth is dis-tinctly pleasing. Failing that, some more sales can be expected. provement across the group, not all of it attributable to the inclusion of some new businesses with higher Yesterday's interim results do margins than the old.

bear witness to some good work al-Though there is a sense of unreready done, if hidden in an 11 per solved questions hanging around cent rise to pre-tax profits of £212.8m. Growth in the UK and in Seatchi - is it going to merge any of those US businesses regarded as its agencies, can it get its consultancontinuing has been more than ade- cy business up to the scale achieved quate, while wines and spirits clearing had an outstanding half after the tough times of last year. in communications? - nothing about yesterday's results did anything to heighten those particular uncer-Frightened tourists cannot bear tainties. But the statement was the whole blame for difficulties in longer on breadth and brilliance the hotels, currently employing some of the GrandMet trouble than it was on detailed information. And the market's dread of rights is right about one thing; Saatchi's bal- Parts of the US consumer activi- ance sheet, now profitability of London merchant ties still sit oddly within the group goodwill, remains chronically short banks is offered by the Bank of and it may not be that long before of equity.

\* **(%)** 

#### The new paper criticises the cranes on the site would be taken group for its intolerant Russian na-away. Answering questions about tionalism and tendency to denounce the progress of reform, he said that The significance of the demonstration is that this is the first time have been slow. in 50 years in the Soviet Union that On protecting old Moscow, Mr such an unauthorised gathering has opponents as "agents of the CIA." 40 per cent of the ruling Communist The occasion for the demonstra- Party Central Committee for Mosnot only been allowed to take place

but has also succeeded in persuading a senior official such as Mr Yeltsin - who is a non-voting member of the Politburo - to address them. Carrying banners with slogans such as "we demand a meeting with Gorbachev and Yeltsin" and "Down with the saboteurs of reconstruction on the grounds that the pro- dition, am extra people a day visit with press and television but this

the Moscow Communist Party, who group called "Memory"

Moscow News, is an organisation Details of the incident, which set up by its members to preserve port mr Gorbachev's reform.

tion was a rumour that building cow City were changed last year.

We work had restarted on a vast monute of the shortwork had restarted on a vast monu-

ment commemorating the Soviet

stration by 400 people in central puties where Mr Yeltsin agreed to sentiment in the capital were both shops. Moscow was addressed for two see them.

Moscow was addressed for two see them.

Outraged by the monument because During Mr Leonid Brezhnev's 18 the builders had buildozed Poklonyears as Soviet leader, facilities in cording to the first full account of sian history as the site where Nathe demonstration in this week's poleon waited in vain in 1812 to receive the keys of Moscow.

Mr Yeltsin re-assured the demonhappened last week, have just been old buildings in Moscow and sup- strators that work had really stopped on the monument and said

age of houses, consumer goods, victory in the Second World War transport and health facilities in near central Moscow. This was offi- the capital was that the population

AN UNPRECEDENTED demon- the Moscow Soviet of People's De- Patriotic and environmentalist ter to buy goods in the capital's

administration, headed by Mr Viktor Grishin, became a byword for corruption and inefficiency.

Many officials have been dismissed by Mr Yeltsin since he was appointed to clean up the city in 1985, but he admits that improvements

Yeltsin said that 9,500 buildings were now the subject of preserva-tion orders including 1,000 which were in urgent need of restoration. He also said there was no settled procedure for Communist Party leaders to meet pressure groups but

cially dropped by the Politburo last of the city (about 9m) was 1.1m added that in the past there had al-August after much public opposition more than planned for 1990. In ad-

# tion" the demonstrators marched to posed monument was hideous. Scandal erupts over Brazilian railway Continued from Page 1

per also added that every winning tender offered prices for the works at 10 per cent below the budgeted construction cost. This demonstrates that the price established by the Government was absurdly

high," the paper said. The exposure has provoked a storm of protest in Congress and the Brazilian press, forcing President Samey to order an immediate cancellation of the contracts, a new tendering and an inquiry.

Yesterday, front-page Transport Ministry announcements appeared in several newspapers announcing the new tender and promising severe punishments if any corrupt action by public servants was unveiled. But officials have repeatedly insisted that there was no malpractice on the part of the Transport Ministry or Valec.

The Government's conclusion is that the contractors - all blue-chip Brazilian civil engineering companies - must have formed a cartel and organised bidding to ensure that each won a slice of the cake. All have now been banned from participating in the new tender.

Specifically, Mr Franciso Cunha. engineering director of Valec, said that the company had been pre-pared to encounter any "cartelisation" of price tendering, but warned that it was near impossible to combat. "In the history of Brazilian following the revelations. heavy construction there has not been a retrospective penal action against an infractor," he said.

However, a large number of politicians and commentators are not convinced that a simple cartel of construction companies is the

that the forthcoming inquiry, to be conducted by Valec, will fail to discover the complete truth.

left-wing deputy opposed to the rail-way, described the Valec inquity, as "putting a fox in charge of chick-ens to ensure their well-being." Several deputies from the dominant Democratic Movement Party

Many politicians are continuing to challenge both the constitutional legitimacy of pressing ahead with

(PMDB) have called for the imme-diate sacking of Mr Jose Reinaldo-Tavares, the Transport Minister,

the railway and its wisdom. Several have expressed outrage that the tended to provide Brazil's new Government has used powerful degrain basket - is poor and unprocree law to establish the line, with-

whole story. There are fears, also, out allowing Congress to debate the

est public works scheme for at least Mr Luiz Inacio Lula da Silva, a a decade - must be questionable when many near-bankrupt municipal and state governments are disvants, and the Federal Government has been forced to call a moratorium on its \$113bn foreign debts.

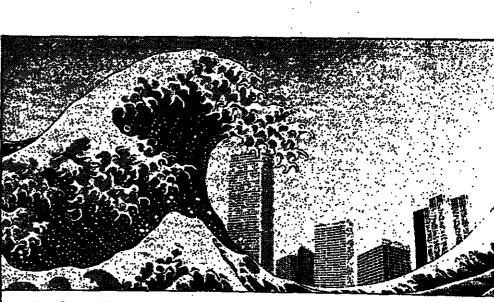
Others doubt the practicality of the rallway. They point out that its course parallels the Brasilia-Belem road, and the river Tocantins - it-self a long-established transport

Furthermore, many development, planners believe that the land adjoining the planned tracks - in-tended to provide Brazil's new

Continued from Page 1

They say they are happy that growth is still continuing, albeit at a lower level, after five years of upturn, and that inflation is still we under control.

A mood close to exasperation among Bonn policymakers about foreign calls for budgetary stimulus is shared by some key industry



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World Weather

# UK moves to limit £

Continued from Page 1

The official attitude to fluctuations in the pound's value is thus asymmetrical; the authorities will resist any further appreciation while they would tolerate some -

though not a substantial - fall. The Bank, however, plans to lean against pressure for another cut in interest rates and instead aim to continue braking sterling's rise through intervention. Apart from concerns about rapid growth in credit demand, there are uncertainties as to the extent that recent inflows into sterling may reflect short-term or "hot" money, which could quickly be moved out in the

event of a political upset. Despite the Bank's action, the

pound still closed firmer in Europe just below DM 3.00 at DM 2,9975 compared with Wednesday's closing DM 2,9925. It also closed higher at \$1,6780 compared with Wednesday's closing \$1.6715.

The dollar came under severe pressure because of market disappointment that there had not been more of an improvement in the US trade deficit. In March, the deficit narrowed to \$13.5bn from February's \$15.1bn shortfall. In the UK Government bond mar-

ket, the Bank of England's tender of £1bn 8 per cent Treasury stock due 2002/06 appeared to have been heavily undersubscribed. All bids were allotted in full at a mini price of £94.75 per cent.

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FERRANTI

SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

Friday May 15 1987



# Deutsche Bank plans DM 1.2bn rights issue

BY ANDREW FISHER IN FRANKFURT

DEUTSCHE BANK, West Germany's largest bank, yesterday announced plans to raise nearly DM ing at a time of general price weak-industrial empire. 1.2bn (\$670m) through a rights is-ness. One noted, however, that the

The unexpected capital call had a dampening influence on the stock market, with the Commerzbank index losing 11.3 points to close at 1,788.3. Deutsche's own shares dropped by DM 14 to DM 624.

Shareholders will be able to subscribe for the new shares next year for the banks. month on a one-for-15 basis at a price of DM 450 each. The bank said it was making the issue to raise its equity basis in line with in-

and the de Sauding

ssue, stating also that operating actual burden on the market would profits in the first four months were down on the same period of last the issue, since shareholders would year.

Total business volume of Deutsche Bank was 7 per cent higher in the january-April period, he ethannelling back some of their added. As expected, commissions

The statement by Mr F. Wilhelm Christians, co-chairman of the bank, that profits were down was in line with the general expectations that 1987 is proving to be a tougher

ments at the annual meeting yes-terday in Berlin. The profit indica-in investment banking, where tion was made without taking ac- competition has become stiffer.

Analysts said the market was count of last year's high earnings surprised by the rights issue, com- on the flotation of the former Flick

dividend payments into paying for from securities business and profits the new shares.

on own-account trading had not reached last year's high levels.

Analysis noted that the weaker state of the German stock market, influenced by the fall in the dollar which hampers exporting companies, was a key reason for generally lower bank earnings. They suggest-Mr Christians made his com- ed, also, that Deutsche Bank would

# BASF advances in spite of an 11% decline in sales

BY TONY JACKSON IN LONDON

BASF, the West German chemical group, had a "cold start" in 1987, but lower oil price. managed to increase pre-tax profits in the first quarter by 3 per cent to DM 670m, the group said.

Dr Hans Albers, BASF chairman. said the group was continuing to make good progress, despite the imponderables of currency, raw material prices and the development of

The results round out the first quarter figures from the three German chemical giants, Hoechst and Bayer having reported already. As often, the three sets of results are closely in line, and all three companies have similar expectations of broadly unchanged profits for the vear as a whole.

BASF's sales in the quarter slumped by 11 per cent to DM 9.5bn, on roughly unchanged volume. .

The fall was caused partly by the rise of the D-Mark, but also by a 30 per cent decline in turnover at the

in battle

for Royale

Belge

By Tim Dickson in Brussels THE BATTLE for control of

a deal with Groupe Bruxelles Lambert (GBL) to fend off the ag-gressive challenge of another

French insurance company, Axa. Axa, which had declared its

ambition to expand across na-tional boundaries to take advan-

tage of the free internal market within Europe after 1992. First displayed a serious interest in

displayed a serious interest in Royale Belge about a year ago. Many observers thought that GBL, which already had links with Axa, would ultimately help the French company realise its objective but the Belgian holding group's chief executive, Mr Albert Frere, has opted instead to side with the local shareholders. With trading in the shares con-

With trading in the shares consistently active - they were un-

changed yesterday at BFr 8,000

but turnover was particularly brisk - the up-to-date strength of

the two camps is unclear. Axa is believed to have more than 30 per cent and possibly as much as 40 per cent while GBL's stake is

thought to be around 25 per cent.

An analyst with Brussels stockbroker De Waay comment-

ed: "We are very close to the end

of this affair. The final result should be known at the annual

meeting at the end of this

UAP yesterday announced pro-

visional consolidated net profits of FFr 2.2bn last year, against FFr 1.7bn in 1985, a dividend up from FFr 51 to FFr 60 in the

Wintershall oil business due to the

The fertiliser business, where the group has already announced im-pending plant closures, continued to lose money, though at a slightly reduced rate. Dr Rinaldo Schmitz, group finance director, said the business should return to the black this year at the operating level after the planned closure of two plants at Nordenham and Krefeld, though there would be net losses after clo-

Dr Albers said that although the full closure programme over the next few years would take out 1m tonnes of capacity, removal of bottienecks at the group's two integrated plants at Ludwigshafen and Antwerp would add back 400,000 tonnes. The group intends eventually to confine its fertiliser production

volume levels, Dr Albers said, with the success of high-value engineer ing materials being particularly gratifying. Magnetic tapes, how-ever, where BASF is European leader, suffered from intense competition. "We are not recording

only just in the black.

Dr Albers said sales in Japan, where the group has recently launched a number of projects, were close to DM 900m. Double-digit sales and volume increases were expected in the current year.

losses", Dr Albers said, "but we are

Dr Schmitz said the group was in-terested in obtaining a share listing in Tokyo, but had rejected the idea

Dr Albers said US sales had increased in the quarter to \$1.1bn. "We are told never to say never, but In other areas of chemicals, the there is nothing large in the pipebusiness continued to run at high line at present".

# New twist | Reduced loss shown by Sea Containers

BY KEVIN BROWN, TRANSPORT CORRESPONDENT IN LONDON

SEA CONTAINERS, the Bermudaregistered container leasing, ports and ferries group, yesterday announced first quarter losses of \$12.9m or \$1.67 a share, down from our earnings in 1987." a deficit of \$22.1m or \$2.37 a year

Royale Belge, took a new twist yesterday when the French com-pany Union des Assurances de Paris (UAP) announced that it The latest result was much as forecast. Mr James Sherwood, president, had forecast the group would improve earnings by around \$10m had taken a 4.6 per cent stake in Belgium's leading insurance in the first quarter. UAP's participation — made possible by the special issue of new Royale Belge shares in exchange for almost 31 per cent of UAP's Belgian subsidiary Urbaine UAP—appears to be part of

Revenues rose from \$112.4m to \$121.6m. Quarterly dividends were suspended last year in a move intended to save the group around

Sim per quarter.

Sea Containers lost \$49.8m or \$6.28 per share last year following major losses in container leasing and ferry operations. Mr Sharwood says in the annual report, however, that both divisions are expected to report improved results in the cur-

In the container division, which suffered from poor rates and wide-spread customer defaults, over-heads have been cut, loss-making services discontinued, older units removed and equipment ordering moderated, he says.

"The result has been a strong up-

Mr Sherwood says the group's fleet of 12 container ships is fully employed at improved rates, and losses should be sharply reduced. The Sealink ferry operation should benefit from a decline in fuel costs in sterling terms, and should report improved operating profits,

he says. Sealink, which was acquired from the British Government in 1984, spent or provided \$32m for severance pay in 1986, and incurred strike and route withdrawal costs of

\$11.7m, principally on the loss-mak-ing Channel Island services. "In retrospect, I think the strike will have some enduring benefits. The new management will be more skilled in dealing with its workforce to resolve difficult problems, and the workforce has already shown its increased willingness to address basic competitive issues by accept-ing revised work practices and re-duced manning," Mr Sherwood

# Stefanel sees its profit more than doubled

BY ALAN FRIEDMAN IN MILAN

clothes producer which is a smaller scale version of the Benetton sucscale version of the Benetton success story, more than doubled its 150 abroad. The company is fore-1986 net profit, to L27.5hn(\$21.2m).

At the consolidated group level, the result was marginally higher.

The company, which with 1986 consolidated group revenues of consolidated group revenues of L172.2bn (\$132.9m) is about one-sixth the size of Renetton is company.

sixth the size of Benetton, is owned by the Stefanel family. It was founded in 1959.

Stefanel is planning to float around 25 per cent of its shares on the Milan bourse during the next few months. The board was finalis-

STEFANEL, the Italian casual fered to investors outside Italy. Stefanel has around 550 fran-chised outlets in Italy and a further

outside pieceworkers. This manufacturing method, the overall franchising strategy and even the plan to come to the stockmarket are all similar to the pattern already established by Benetton. The difference, the clothing manufacturer claims, ing details of the offer yesterday. A is that it aspires to add more of a substantial portion is likely to be of-

# **Takeover** talks for **First** Interstate

By Roderick Oram in New York

FIRST Interstate Bancorp, which was rebuffed earlier this year in its attempt to acquire BankAmerica, is seeking control of Allied Bancshares of Houston. Heavy loan losses attributed to the energy industry recession plunged Allied, the seventh largest Texas bank holding company, into losses last year.

Both companies announced that they were holding prelimi-nary talks but no formal agreement had been reached so far. The shares of Allied rose \$1% to \$10% on heavy trading in the over-the-counter market, capitasing the company at about

First Interstate's shares fell \$1% to \$54, giving it a market val-

Allied reported a loss of \$17.6m, or 42 cents a share for the year ended December 31, 1986, against a profit of \$117.5m, or \$2.86 a year earlier. It wrote off \$208.1m of bad leans while its assets slipped to \$9.9hn from \$10.2hn.

Its difficulties are continuing this year. It reported a first quarter loss of \$29.5m, or 49 cents a share, and loan write-offs of \$31.6m. Analysts believe total losses could reach \$35m, or 85 cents a share for the full year.

The company, which owns 58 small banks in the Houston area and eastern Texas, said recently that its fortunes depended on the local economic outlook. Thus, it was difficult to forecast when it could expect an upturn in its own financial performance. Non-per-forming loans account for about

6 per cent of assets. It remains relatively well capi-talised, however, with shareholder equity of \$592.7m at the end of the first quarter. First Interstate is the largest multistate bank holding company in the US with some 22 banks totalling 1,000 branches in 18 states. It had total assets of \$55.4bn at the end of last year.

# Dazzling UK debut for Sock Shop

By Alice Rawsthorn in London SHAREHOLDERS in Sock Shop International, the UK specialist retailing group, more than doubled their money yesterday when the shares began trading on the stock market by sailing to one of the highest premiums the

market has ever seen. At the start of the day Sock Shop's shares began dealings at 205p (\$3.40) compared with the original offer price of 125p. In frenetic trading the shares rose to a peak of 290p, eventually sett-ling down to end the day at 257p. The group is now capitalised at

Although small companies like Sock Shop, in which the supply of shares is limited, often attain healthy premiums on the first day of dealings, an increase of 106 per cent is unusually high. Sock Shop can claim the highest

Ms Sophie Mirman, the com-pany's chairman and joint ma-naging director, said that she was "ecstatic" about the market's reaction to Sock Shop. "We had hoped for an opening price of 150p or, being very optimistic, 175p," she said. "But the stock market seems to have gone crazy in recent weeks and we went public at a very exciting time."

Sock Shop's prospects were
undoubtedly boosted by the buoyant mood of the stock market. The FT-SE 100 Index rose by 16.6

to 2,189 yesterday. But the com-pany has also benefited from investors' enthusiasm for small, young "niche" stocks.

In the last four years, Sock Shop has established a national network of 43 shops selling sections of as snows sening socks, tights and stockings in bright colours and jolly designs. Yet its passage to the Unlisted Securities Market has been far from easy. In 1983 when Ms Mirman and Mr Richard Ross, her husband and joint managing director, attempted to raise launch capital, they could not persuade anyone in the City of London to invest £40,000 in a 49 per cent stake in Sock Shop. That investment would now be worth

Staff and public to share 50% holding in leading French network

# **Bouygues eager for TV challenge**

THE PRIVATISATION of TF-1, the network, is expected to be complete ed early in July when about 7.5m shares will be offered to the public at a price ranging between FFr 200 (\$33) - FFr 250 each. The TF-1 flotation is expected to follow the priva-tisation of Société Générale, the to FFr 4bn in 1989 and the netlarge state commercial bank, next

The public share offering to be aumched around June 29 will involve 40 per cent of the capital of the French television network which has just come under management control of a consortium of private investors led by Bouygues, France's largest construction group.

Bouygues and its partners, in-cluding Mr Robert Maxwell, the British publisher, acquired last month for FFr 3bn a 50 per cent controlling stake in TF-1. But the French Government plans to sell the remaining 50 per cent stake for FFr 1.5bn to the public in general and to the network's employees. TF-1 staff will be offered 10 per cent of the network at a discount with 40 ra. per cent being floated to the public. Bouygues officials also indicated

sion had lost FFr 100m last year. yesterday that they expected TF-1 to be profitable this year and that Losses this year in this sector were the network would pay its new expected to be reduced. However, Bouygues officials also suggested shareholders a dividend. Bouygues that the group was considering the possible closure of its Glasgow U1E work's net margin to grow to 10 per

cent of sales by then.

Mr Francis Bouygues, chairman of the construction group, said the TF-1 investment would help boost Bouygues total sales this year to about FFr 49bn from FFr 45.78bn last year when the group reported a consolidated net profit of FFr 481m. He said he expected group profits to

continue to increase this year. Mr Bouygues added that he was keen to develop his group's pres-ence in the radio telephone market. This was the main reason why the construction group had taken a small stake in CGCT, the recently privatised French telecommunications concern which has come under the control of Ericsson and Mat-

Mr Bouygues confirmed that his group's offshore oil services divi-

BY PAUL BETTS IN PARIS hostile raids.

> offshore yard in view of the slump in North Sea offshore business. The future of the Glasgow yard depends on whether it can succeed in winning two bids for offshore platform components from Conoco and Shell against extremely fierce competition. Bouygues has already sharply reduced the permanent workforce of the Glasgow yard, which now employs about 250 peo-

regarded the group's investment in ber of potential buyers had apagainst Mr Robert Hersant, the French right-wing press baron, if he 1.5bn for the company which cost persisted with his current press Eouygues barely FFr 500m. But Mr campaign against TF-1. Mr Hersant Bouygues said he had no intention

Fifth Channel private television network and lured away some of the star variety artists of TF-2 in

Mr Bouygues indicated he also lanned to expand his interests in broadcasting and communications, hinting that he could invest in publishing. Mr Robert Maxwell has already said he was interested in controlling a popular national daily newspaper in France. Indeed, Mr Maxwell is reported to be showing interest in possibly taking over the left-wing daily tabloid Le Matin which recently filed for bankruptcy.

Despite his recent diversification moves and acquisitions, Mr Bouygues said his group still had some FFr 4bn in liquid assets. Bouygues Mr Bouygues made clear that he officials also confirmed that a num-TF-1 as its major new challenge. He proached Bouygues to acquire the also warned that he would riposte group's SAUR water distribution subsidiary, offering well over FFr recently took over control with Mr either of selling the profitable wa-Silvio Berlusconi, the Italian televiter subsidiary or of seeking a sion entrepreneur, of the French bourse listing for SAUR.

# managment buyout

By Andrew Flaher in Frankfurt

WEST GERMANY'S largest man agement buy-out, worth about DM 100m (\$58m) and involving the Eumachine tool division of Ex-Cell-O of the US, has been completed by the Hamburg-based operation of J.Henry Schroder Wagg, the UK merchant bank.

The deal is the second carried out last autumn. in West Germany since it set up its DM 140m Schroder German Buy-Out Fund late last year. Its first deal was less than DM 20m and involved a cosmetics company.

Management buy-outs are still in their infancy in West Germany, although they are gaining growing atention among banks and industry. Funds for Schroders' German operation have come from US and Euro-

The buy-out of the Ex-Cell-O diviwas financed by bank borrowing and by equity from Schroder's German and UK buy-out funds.

pected to wane over the year. Sales by 102 per cent to SKr 486m, helped in the ophthalmics division were seriously affected by the lower dollar, ny Leo.

# Record German Pharmacia earnings hit by exchange rate

BY SARA WEBB IN STOCKHOLM

PHARMACIA, the Swedish biotechnology and pharmaceuticals group, said its first quarter profits were held in check by exchange rate fluc-tuations, the cost of integrating recent acqusitions, and the losses incurred by LKB, the chemicals and instruments concern it took over

However, it repeated its earlier forecast of full-year profits (after fi-nancial items) of about SKr 1bn

(\$160m) on sales of over SKr 6bn. First quarter profits (after financial items) were virtually un-changed compared to last year at SKr 205m, though sales increased by 58 per cent to SKr 1.372bn, against SKr 889m in the first quar-

The falling dollar badly affected rent, l'extron, | the group, though the effects are ex-

though strong sales growth in Japan and Europe helped to compen sate for this and the division showed a 33 per cent increase in sales to SKr 216.4m.

Pharmacia said that LKB usually

makes losses in the first part of the year because most of its public sector customers tend to make capital purchases at the end of the calendar year. However, it has intensified its efforts to integrate LKB and said that positive effects should start to show up by the end of 1987.

Pharmacia made a number of acquisitions last year which led to a II in net interest income. Sales in the biotechnology divi-

sion increased by 64 per cent to SKr 366.5m with a strong growth in sales of the recently introduced Phastsystem for electrophoresis.

# Turnround for Dome

**Petroleum** By Our Financial Staff

DOME PETROLEUM, the debtladen Canadian energy group, yesterday reported first-quarter profits of \$77m or 22 cents a share, compared with a loss of \$72m or 24 cents, as creditors met in Toronto to vote on the C\$5.2bn (US\$3.7bn) bid from Amoco of the US.

Toronto-Dominion Bank said the official offer remained unacceptable but the bank intended to work with Amoco and Dome to negotiate an agreement that would include payment in full to secured creditors.

The bank said an increase of about 10 per cent of the purchase price would make the offer ac-ceptable. It added that it believes Dome's unsecured creditors and shareholders have been more

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

**NEW ISSUE** 

14th May, 1987



U.S.\$100,000,000 2 per cent. Notes due 1992

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to subscribe for shares of common stock of GUNZE LIMITED

Issue Price 100 per cent.

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Union Bank of Switzerland (Securities) Limited

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# **AMER GROUP LTD Notice of an Extraordinary Meeting of Shareholders**

The Extraordinary General Meeting of Amer Group Ltd will be held on Monday, 25 May 1987 at 10.00 a.m. in the Ballroom of Hotel Intercontinental, Mannerheimintie 46-48, Helsinki.

The meeting will consider the following

proposals:

1. The Board of Directors' proposal to increase the share capital by FM 45,728,120 under a capitalisation issue, by not less than FM 15,000,000 and by not more than FM 22,854,060 under a rights issue, and by FIM 2,000,000 under an issue to employees (disapplying the existing shareholders' pre-emptive right of subscription), or in total by not less than FIM 62,728,120 and by not more than FIM 70,592,180. The issues will be carried out simultaneously.

2. The Board of Directors' proposal to issue bonds with warrants (in the form of other mass instruments of debt) totaling FIM 100,000,000 by offering 100,000 bonds with a nominal value of FIM 1,000 each, for public subscription in Finland, (disapplying the existing shareholders' pre-emptive

Attached to the bonds will be warrants entitting holders to subscribe for a maximum of 500,000 restricted "A", shares of nominal value of

The proposal to grant authority for one year from the date of this Extraordinary General Meeting to the Board of Directors to issue further bonds with warrants to a total amount of not more than FIM 450,000,000 or the equivalent in foreign currency on terms to be determined by the Board of Directors. The bonds may be offered for subscription to overseas and Finnish investors; (disapplying the existing shareholders' pre-emptive

Amer's free "A" shares with a nominal value of not more than FIM 45 million would be available for subscription against the warrants issued with such bonds. The terms and conditions of such bonds would in principle be similar to those of the domestic issue of bonds proposed above. The proposal to change Paragraph 20 (Alien Clause) of the Company's Articles of Association, to conform with changed legislation. Further details of proposals 1 and 2 are set out below.

Increase in share capital Under the capitalisation issue, a shareholder or someone who has received a shareholder's title to subscription, will receive for every five (5) old shares one (1) new share of the same category with a nominal value of

PIM 20 per share, free of charge.

The subscription period begins on 27 May 1987. A shareholder or someone who has received a shareholder's title to subscription, must make use of his entitlement not later than on 3 July 1987. The subscription will be effected against the share issue coupons No. 8, attached to the old

In the rights issue, a shareholder or someone who has received a shareholder's title to subscription, has the right to subscribe for one (1) new "A" share with a nominal value of FIM 20, for every ten (10) old shares held, at the price of FIM 120 per share, with the exception that one (1) new free "A" share only may be subscribed for every ten (10) old free "A" shares held.

The subscription will be effected against the share issue coupons No. 9, attached to the old share certificates. The new shares issued under the capitalisation issue will not entitle the holders thereof to subscribe

Under the issue to employees, employees (including for this purpose pensioners or members of the Board of Directors) of Armer Group at 27 May 1987 will be offered 100,000 new "A" shares with a nominal value of FIM 20 each at the price of FIM 130 each. Employees who are Finnish citizens will be offered not more than 100 restricted "A" shares per person, and employees who are not Finnish citizens (other than Canadian or U.S. persons or employees located in Canada or the United States) will be offered not more than 100 free "A" shares per person. The right to subscribe cannot be transferred to another person.

Period of subscription The subscription under the rights issue and the issue to employees begins on 27 May 1987. Under the issue to employees, those employees who at 12 June 1987 have subscribed 50 shares and bindingly reserved: not more than 50 further shares, will be entitled to subscribe during the period 18 June to 3 July 1987, the number of shares decided upon by the Board of Directors, which altogether shall not number more than 100 shares per person. A shareholder or someone who has received a chareholder's title to subscription, must make use of his entitlement against

Trinkaus&Burkhardt

As a consequence of the Bank's conversion into a KGaA

and listing on the stock exchange, new dimensions have

opened up for our future business development. A DM 100

million convertible bond issue floated in December was

favorably received by investors, thus forming the

basis for strengthening our long-term lending capacitiy.

Ongoing press coverage and daily quotations of our shares

support our intensive efforts to gain new commerical,

Capital resources rose from DM 219 million to DM

252.5 million. Record results were achieved in 1986. The

balance sheet total remained virtually unchanged, whereas

assets under management increased from DM 13.2 billion

to DM 14.9 billion. Securities trading rose by 70%. Sub-

stantial progress was also achieved in underwriting, with

three issues under our lead management for the first time.

Strong results were recorded in our own securities and

foreign exchange trading. The partial operating profit was

up 10.7%. Net commissions rose by 23.4% and nearly

reached the level of net interest income, which increased

The Bank's shareholders will directly benefit from the

improved results. The General Partners have proposed that the dividend be raised from DM 8 to DM 9 per nominal DM 50 share, thereby increasing the dividend payout from DM 14.0 million to 16.2 million. Distributable profit

amounted to DM 24.9 million compared with DM 22.7

by 5.1%. Total staff expanded from 662 to 723.

institutional, and individual clients.

200 years of banking

the share issue coupons not later than on 3 July 1987. The Board of Directors will decide who has the right to subscribe for shares which have not been subscribed in the manner defined above. Alternative rights as determined by the Board of Directors must be exercised not later than on 15 August 1987.

Place of subscription
The subscription can be effected at any office of Kansallis-Osake-

Pankki in Finland. The subscription under the issue to employees will be effected at a place, outside Canada and the United States, to be determined by the Board of Directors of Amer Group Ltd.

Bond subscription

The bonds can be subscribed during the period 27 May to 3 July
1987 at any office of Kansallis-Osake-Pankki in Finland. The issue price of the bonds and the interest accrued for the period from the date of issue, 27 May 1987, to the date of subscription must be paid in cash upon

The bonds shall mature in seven (7) years and will be redeemed in one instalment. The bonds carry interest at an annual rate of 5.5 per cent payable annually in arrears. Each bond with a nominal value of FIM 1,000 contains five warrants. Each warrant will entitle the holder to subscribe for one (1) Amer Group Ltd new restricted "A" share. The exercise price of shares thus subscribed is the arithmetical average of the daily trading prices of Amer Group Lids restricted "A" shares (after adjusting for the bonus elements of the share issues to be resolved in the General Meeting) on the Helsinki Stock Exchange from 13 to 19 May 1987, rounded up to the nearest FIM. This price will be determined by the Board of Directors.

Exercise Period

The exercise period begins immediately after the printing of the raits, but no later than 15 November 1987, and ends on 27 November 1992. The beginning of the exercise period will be announced separately. The exercise period will be suspended for the period 1 July to 31 August in each of the years 1988 to 1992. The Board of Directors of the Company may suspend the exercise period for a determined period in the event that the share capital of the Company is changed, or for any other significant

Subscription restrictions The Company's free "A" shares have not been, and will not be, registered under the United States Securities Act of 1933. The new free "A" shares may not be offered or sold, directly or indirectly, in the United States or to U.S. persons. The new free "A" shares comprising the capitalisation issue, however, may be made available to existing U.S. shareholders under restrictions and circumstances designed to ensure compliance with the United States Securities Act of 1933.

The new free "A" shares may not be offered or sold, directly or indirectly, in Canada or to Canadian persons.

Under Finnish law and the Company's Articles of Association, the
Company's restricted 'A' shares may be held only by Finnish persons. The bonds with warrants will be offered or sold only in Finland or to Finnish persons. Any bonds with warrants issued in the future to overs

investors will not be offered or sold, directly or indirectly, in the United States or to U.S. persons or in Canada or to Canadian persons. Information
The documents complying with the Finnish Companies Act are open for inspection by shareholders from Monday 18 May 1987 at the Group's Head Office in Tausula and at the Trustee and Securities Department of Kansallis-Osake-Pankki's Head Office, Kluuvikatu 2 in Helsinki. Also from the

Notification of attendance Any shareholder wishing to attend the general meeting must register at the latest by 8.45 (Finnish time) on Monday 25 May 1987 at the Groups Head Office either by telephone 358-0-255311/155 or by mail to: Amer Group Ltd, Box 12, SF 04301 Hyrylä, Finland. A shareholder who has not yet been registered in the Company's share register must at that time provide

same date, the Company will on request send to shareholders copies of the

Helsinki, 12 May 1987 Board of Directors

evidence of title to his shares,

# INTL. COMPANIES AND FINANCE

# Latina's profit up 57%

By Alen Friedmen in Milan LATINA, the Italian insurance group controlled by Mr Carlo De Benedetti's Cofide holding compa-

ny, yesterday announced a 57 per cent jump in its 1985 net profit, to L20.4bn (\$15.7m). Latina, which last year took con-

trol of Ausonia, another insurer quoted on the Milan bourse, achieved an 11 per cent rise in its 1986 premium income to L211.3bn. When Ausonia's 1986 premium in-come is added to Latina's accounts, the total comes to L431bm.

to build up his insurance interests, and was pipped at the post in his re-cent attempt to acquire Intercenti-nentale, a sizeable insurer which was eventually taken over by Gemina, the holding company chaired by Mr Cesare Romiti, managing direc-

Cofide, meanwhile, is understood to be in negotiations to acquire Norditalia, another medium-sized northern Italian insurance compa-

# **ACEC** selling Portugal stake

By Tim Dickson in Brusseis ACEC, the Belgian electrical and electronic engineering company which is one of the country's oldest industrial businesses, has an-nounced that it intends to reduce its 51 per cent stake in the Portuguese company EFACEC to 10 per cent by

means of a public sale. EFACEC, which specialise in the nanufacture of electromechi materials, has a turnover of roughly BFr 3bn (\$8m) and net profits after tax of around BFr 125m.

# FCA discusses HF merger

group, has been discussing the pos-sibility of a takeover by HF Holdings, a company formed by Mr Wil-ham Simon, a former US Treasury Secretary and Mr Preston Martin, former Federal Reserve Board vice-

The two companies have held talks on the possibility of such a transaction, FCA said. The S & L group has held discussions with a

Loan, also of Beverly Hills.

the company, which has been at improving its capital position.

Novo in the first year.

BY HILARY BARNES IN COPENHAGEN

FINANCIAL Corporation of America, the major US savings and loans group, has been discussing the pos"very preliminary."

total of six companies, and detempting to return to financial stability since 1984 and still has an estimated \$2.5bn of problem loans

"very preliminary."

HF Holdings, formed last June, has already purchased World Trade
Bancorp of Beverly Hills, Honolulu identified parties concerning a pos-Late last March, FCA said that it Federal Savings and Loan and sible acquisition of the company. Southern California Savings and Parent of American Savings & Loan Association, the company has FCA stressed that, although it said on a number of occasions that would welcome outside capital, a it would give serious consideration buyout was not necessary to save to a merger as a means of rapidly

percentage points of this increase.

# Sharp decline in quarter for Gulf Canada

PRE-TAX earnings by Novo, the pharmaceuticals and enzyme manufacturing group, showed little change in the first quarter, increasing from DKr 186m (\$27.7m) last year to DKr 190m. The 1987 figure includes Ferrosan, the Danish pharmaceuticals group accounted by the present accounted for 18 By Bernard Sknon in Toronto GULF CANADA, the resources group controlled by Toronto-based property developer Olympia & York suffered a sharp decime in first quarter earnings to C390m (\$67m) or 39 cents a share, from C3166m, or

81 cents a share, in 1986. The drop was due to a large contribution to earnings last year from asset disposals. Excluding discon-tinued operations, first quarter in-come rose slightly from CS89m to CS91m. The 1986 results from continuing businesses included an ex-traordinary gain of C374m, also from the sale of assets. Revenues were unchanged at slightly over C31bn.

Gulf Canada has been transformed since O&Y bought control of the company from Chevron of San Francisco in August 1985. From Be-ing an integrated oil and gas company, Gulf's interests now centre on "upstream" oil and upstream" oil and gas production and a controlling stake in the forest products group Abitibi-Price. Gulf also has a 49 per cent interest in Hiram Walker spirits, which is con-trolled by the British food and drinks group Allied-Lyons.

# 1314% Notes Due 1989

Novo earnings steady

pharmaceuticals group acquired by 1.21bn. Ferrosan accounted for 16

NOTICE OF REDEMPTION

To the Holders of

\$100,000,000

ROCKEFELLER GROUP INTERNATIONAL

FINANCE N.V.

NOTICE IS HEREBY GIVEN to the holders of the outstanding 134% Notes Due 1989 (the "Notes") of Rockefeller Group International Finance N.V. (the "Company") that pursuant to the provisions of the Indenture dated as of June 21, 1984 among the Company, Rockefeller Group, Inc. and Bankers Trust Company (the "Trustee"), and the terms of the Notes, the Company has elected to redeem on June 21, 1987 all of the outstanding Notes. The redemption price is 1014% of the principal amount thereof plus accraed interest thereon to the date of redemption.

Payment of the principal and accrued interest will be made on and after June 21, 1987) against presentation and surrender of the Notes and any coupons appertaining thereto. Payment will be made in U.S. dollars, subject to applicable laws and regulations. either (a) at the office of the Trustee in The City of New York (the "U.S. paying agent"), or (b) at the offices of Banque Indosucz Belgique (Formerly Banque du Benelux S.A.) in Brussels, Bankers Trust GmbH in Frankfurt/Main, Bankers Trust Company in London, Banque Internationale a Luxembourg S.A. in Luxembourg, Bankers Trust Company in Paris and Swiss Bank Corporation in Basle (each a "non-U.S. paying agent"). The Notes in bearer form, and coupons appertaining thereto, may be presented for payment only at the offices of a non-U.S. paying agent. Payments at the offices of non-U.S. paying agent will be made by a United States dollar check drawn on a bank in The City of New York, or by a transfer to a United States dollar account maintained by a payee with a bank in The City of New York, or by a transfer to a United States dollar account maintained by a payee with a bank in The City of New York, or by a transfer to a United States dollar account maintained by a payee with a bank in

drawn on a bank in The City of New York, or by a transfer to a United States dollar account maintained by a payee with a bank in The City of New York.

Commencing June 21, 1987 the Notes will no longer be outstanding and interest on the Notes will cease to accrue.

Any payment on the Notes made by (a) the U.S. paying agent, or (b) a non-U.S. paying agent by transfer to an account maintained by a payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if the payee fails to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury at the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury as to the payee's taxpayer identification number (employer identification number or social security number, as appropriate) and, if applicable, that the payee is exempt from backup withholding. Additional information reporting and withholding requirements may apply under non-U.S. laws to payments on the Notes, It is recommended that you consult with your own tax advisor as to the consequences of the redemption of your Notes, including certifications to complete when presenting your Notes for payment, by Rankers Trust Conspany as Trustee

May 1987

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Genossenschaftliche Zentralbank Aktiengesellschaft

.U.S. \$100,000,000

Perpetual Floating Rate Subordinated Notes

For the six months 14th May, 1987 to 16th November, 1987 the Notes will carry an interest rate of 734% per annum with a coupon amount of US \$200.21 per US \$5,000 Note and US \$2002.08 per US \$50,000 Note, payable on 16th November, 1987.

Bankers Trust
Company, London

Agent Bank

New Issue

51/4 Bearer Bonds of 1987 (1995)

# KfW Kreditanstalt für Wiederaufbau

# Offer for Sale

Kreditanstalt für Wiederaufbau, Frankfurt am Main, issues 5 % % Bearer Bonds of 1987 (1995) in a total amount of

companies, according to the German laws.

# DM 900,000,000.--

The net proceeds of this issue will be used for long-term investment loans. DM 820,000,000.- of this amount are offered for

will be due on May 15, 1988. DM 100 - or a multiple thereof.

sale by the banks listed below. Isrue Price:

Interest

Lifetime/Redemption:

Ranking as Trust investments/ Eligibility for Investments by

Insurance Companies:

Listing:

Eligibility as Collateral for ("lombardfähig"): Delivery:

Stock Index Number:

**Euro-Clear Security** 

Code Number:

Sale

The Bonds will be admitted for trading and official quotation on all stock exchanges of the Federal Republic of Germany, including Berlin. The Bonds are eligible as collateral for loans by Deutsche Bundesbank ("lombardfähig")

5 %% p.a., payable annually in arrears on May 15, of each year. The first interest coupon

8 years. The Bonds will be redeemed on May 15, 1995 at par. Redemption prior to maturity

The Bonds rank as trust investments and are eligible for investments by insurance

Loans by Deutsche Bundesbank upon admittance for trading and official quotation. The Bondholder receives a Central Deposit Advice from the bank appointed by him. Definitive Bonds will not be available. The Bond issue will be evidenced by one Clobal

Certificate. The Bonds will be offered for sale by the undersigned banks as from today.

100 % % plus Stock Exchange Turnover Tax with adjustment of interest.

276 036.

52 919.

The detailed Offer for Sale to be published in the Bundesanzeiger (German Federal Cazette) is available from the banks. Allotments of Bonds will be at the discretion of the selling banks. KfW Kreditanstalt für Wiederaufbau

# Frankfurt am Main, May 1987

ADCA-Bank Aktiengesellschaft Afigemeine Deutsche Credit Amst Handelsbank Aktiengsse Arab Banking Corporation Daus & Co. Crobit Bankhaus H. Aufhäuser Baden-Württernbergische Bank

Badische Kommunan 
Gertoentrale
Bank CLC. Union Europeenne
Aktientesvelischaft
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Bank für Handel und Industrie
Aktiengeselischaft Aktiengesenschart Bank in Luchtenstein (Frankfurt) GmbH Bank of Tiskyo (Deutschland) Abrianosus/Buchaft

Aktiengeselschaft Bankenumon Frankfurt am Main Bankerumon Frankturt am Main Aktienguselschaft Bankers Trust GmbH Banque Paribas Capital Markets GmbH Bayerische Hypotheken- und Wiedroel-Bank Aktienguselschaft Bayerische Landesbank Grozentrale Bayerische Vereinsbank Aktiengesellschaft joh. Berenberg, Coolier & Co. Berlaner Bank Aktiengesellschaft Berliner Gommerzbank Aktiengesellschaft Berliner Handels- und Frankfurter Bank Berliner Handels- und Frankfurter Bank Bankhaus Gebrüder Bethstamn Bremer Landesbank Kreditanstak Oktenburg - Grozentrale -Chase Bank Aktiengesellschaft

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- Deutsche Kommunalbank
Deutsche Westminster Bank Aktisnigesellschaft
Deutsche Bank Aktienigesellschaft
Benkhaus Max Flesse & Co.
Fürst Fugger-Babenhausen Bank KG
fürst Thum und Taxis
Fürst ich Castell sche Bank, Credit-Casse
Gestemünder Bank Aktiengreellschaft
Generale Bank & Co.
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Hessische Landesbank - Grozentrale Von der Heydt-Kersten & Söhne
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# PUTTING CAPITAL TO WORK

million the previous year.

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# 1986: Winning New **Markets**

# **Group Accounts 1986**

In DM million	against 1985
7,265	<b>./. 1.6%</b>
5,929	./ 3.0%
4,285	<i>.</i> .∕. 1.3%
1,051	./.15.8%
252.5	+15.3%
96.0	+ 5.1%
95.3	+23.4%
73.7	+10.7%
68.8	+ 8.5%
31.9	+ 8.6%
	7,265 5,929 4,285 1,051 252.5 96.0 95.3 73.7 68.8

# INTERNATIONAL CAPITAL MARKETS and COMPANIES

# SFr 125m issue for US financial group withdrawn

BY CLARE PEARSON

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ago for Primerica, the Connecticut-based financial services company which recently changed

its name from American Can.
The issue was understood to have met a firm initial response from most underwriters, although Credit Suisse, normally a syndicate member in Swiss Bank's public bond issues, declined to join the group. Swiss Bank said the with-

drawal was at the company's re-quest, and Primerica said it had taken the decision for "various business reasons." Dealers speculated that it might have been prompted by the company's change of name, approved by shareholders a few days after the bond was launched, and that it might

terms of the 5 per cent eight-year bond might have looked expensive after the launch of a subsequent deal for Hydre-Quebec on identical terms but for 15 years.

Swiss franc bonds ended the day with prices slightly higher but in continued low volume. Hydro Quebec's SFr 200m bond closed its second day's trading at 101, compared with a par issue price.

Equity warrants bonds for

SWISS BANK Corporation recent gains in the Tokyo stock puzzled the Swiss franc foreign market. But dealers said that bond market yesterday by with most of the buying, which condrawing a SFr 125m public tinued selective, was coming issue announced three weeks the Connects.

Among recent gains in the Tokyo stock falling interest rates in Australia, had contributed to the bond's success.

Seasoned Australian dollar issues continued to trade firmly following the Australian mint. Among recent issues, a \$100m deal for Sapporo Brewerles was the firm favourite, trading as high as 1121 bid even after its coupon had been cut by } per cent from its indicated level to

> INTERNATIONAL **BONDS**

Nikko Securities launched a \$50m five-year equity warrants deal for Unicharm, the nappies and tolletries company, with an indicated 2 per cent coupon. It was quoted at 102 bid, although some dealers said they had seen little demand. New Japan Securities Europe

launched, and that it may be needed, and that it led a \$25m five-year bond with lems.

Another theory was that the for S.T. Chemical, the insecticide company. This was quoted at 981 offered.

The only other new issues

that emerged was an A\$50m five-year bond for Ford Motor Credit Australia led by Hambros Bank. Priced at 1017, this was quoted at less 17 bid, compared with 2 per cent fees.

The lead-manager said the bond's 14 per cent coupon would not have been possible if the issue had been swapped. Dealers said investors' aware-Japanese companies formed the centre of attention in the Euro-bond market, as seasoned likely to be pushed below this issues firmed in response to level from now, because of per par.

following the Australian mini-budget on Wednesday, which was seen as positive for the market, in spite of the release of worse-than-expected April balance of payments figures

Longer dated D-mark bonds came under pressure during the morning but later firmed slightly, helped by an easier dollar.

Prices of Eurodollar bonds were unchanged in low turn-over, apparently unaffected by slightly disappointing US trade

figures. Creditarstalt-Bankvarein led a Sch 1.8bn 64 per cent eight-year bond for Austria, which was mainly being placed abroad. The Japanese Ministry of Finance has lifted a ban on the issuance of four-year Euroyen bonds by non-residents. The Italian Government has become the first non-resident borrower to float such bonds, Our Tokyo Staff reports.

The MoF has hitherto limited the minimum maturity for Euroyen bonds, whether issued by residents or non-residents. to five years. By shortening the minimum maturity to four years for non-residents, the MoF hopes to encourage the market.

Italy is offering Y30bn worth of bonds, carrying a coupon of 4.125, to be issued at 101.625

# American Barrick among equity launches

BY OUR EUROMARKETS CORRESPONDENT

rapidly growing international year.

market yesterday, writes

THREE ISSUES emerged in the due, and the balance within a quoted yesterday at \$252.

S.aG. Warbury Securities led Additionally, Merrill an- a DM 34.99m issue of bearer nounced an issue of 400,000 shares in GEHE, a German Merrill Lynch Capital Markets led the C\$25.5m international tranches of a C\$51m
issue of partly-paid shares for
American Barrick, the Canadian
mining company, Of the C\$51
instalment receipts, C\$25 is now

hounced an issue of 400,000 shares in GEHE, a German pharmaceutical wholesaler. The
US building products company,
which is also offering 1,2m
shares in the domestic market.
The deal will be priced at vately owned trading company,
around the end of the month.
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#### FT INTERNATIONAL BOND SERVICE

Closing prices on May 14. | Change | C 1894, TRACE TO THE PROPERTY OF THE P 10.何我你我妈妈我妈妈我看看的。我要看了我我。我我想我看我我看我我我我我我的我的什么的我的吗? 101.33 91.32 99.72 99.72 99.72 99.73 99.73 99.74 99.75 0,4tz 11/06 2004 19/02 20/02 20/02 21/07 20/03 30/03 30/03 4/08 4/08 4/08 1/05 1/05 

| Woodside Financial 94, 97 - 6 | Wischwich 595 E - 51 | 99.46 | 99.51 | Average price change on day -8.61 on we change price change on day -8.61 on we remark the price of the price change on day -8.61 on we remark the price of the price o ### (1905) (1 The Financial Times Ltd., 1967. Reproduction in whole or in surt in any form and permitted without written consent. Data supplied by

# **IPMA** puts case against prospectus to Brussels

By Our Euromarkets Staff Representatives of the Inter national Primary Market Association, the trade body for the Eurobond new issues market, will present their case in Brussels today for far-reaching changes to a European Community draft directive on prospectuses, which they believe in its present form will disrupt the new issues market.

The delegation will step up the Euromarket's pressure for changes to the directive, due to go before the perma representatives next week. The opposition is already being channelled through Britain's Department of Trade and Industry and other bodies in the UK and Europe.

In a lengthy memorandum circulated yesterday, IPMA said: "There is a real con-cern that if the directive were adopted in anything like its present form, a significant part of (Euromarkets) business could move to other capital markets such as those in Switzerland, the Far East and North America."

Bankers are chiefly worried about the registration provi-sions contained in the directive, requiring a prospectus to be approved by a "competent authority" in a member state before any sales of a security are made. They say this would be impracticable for Eurobonds, which depend on rapid distribution.

Although the draft does include an exemption for Eurobonds, it does not clearly define them. IPMA also argues that the exemption should be extended to cover all Euro-securities, including Euro-equities. Euro-commercial paper, and mediumand short-term Euronotes.

IPMA said basic concepts en which the directive is premised are poorly expressed. In particular, the definition of "offers for sale" make it hard to distinguish between issues initially sold to the public and those distributed between profes-

# Medium-term notes for Dutch insurer

NATIONALE - NEDERLANDEN, the Dutch insurance company, has become the latest borrower to announce a programme of Euro-mediumterm notes — securities con-tinuously offered like commercial paper but for maturities above one year.

S. G. Warburg has arranged the programme, and other dealers are First National Bank of Chicago, Morgan Stanley International and Swiss Bank Corporation International.

The Euro-MTN market has been developing slowly since it was launched last year. Although a number of borrowers have announced programmes, including General Motors Acceptance Corpora-tion, very few have issued in significant quantities. Pepsi-Co, with over \$300m outstanding, remains the only

Bankers say the market has been hampered by the general lack of enthusiasm for dollar investments and by the complexity of arranging programmes, which usually must be registered with the US Securities and Exchange Commission.

Many remain convinced, however, that a solid investor base will develop in the one-to-three year area, both among Eurocommercial paper buyers wanting to extend maturities and investors in Euroboud shorter maturity bonds are rare. Both investors and borrowers like the flexibility afforded by the MTN

Separately, Swiss Bank Corporation International is arranging a \$300m five-year credit facility for Lincoln National, an Indiana-based insurance company. It has a commitment fee of 8 basis points, a margin above London interbank offered points, a margin above London interbank offered rates of 18.75 basis points, and a utilisation fee of 5 basis points if it is over 50 per cent drawn.

facility TOT from \$200m to \$250m.

30 per cent usage.

# Bank rush into securities business 'may be ending'

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

banks into securities markets business may be ending, the Bank of England said yesterday.

Reviewing last year's developments in international banking and capital markets in its quarterly bulletin, the Bank said the pace of innovation in international capital markets has slowed and some of the problems of securitisation have been exposed.

"It seems possible that the international capital markets are now nearing the end of a period of transition," the Bank said. During the 1980s demand for new securities instruments had been created by changes in international financial flows caused by debt problems, falling oil prices and payments imbalances.

Banks had consequently realigned their business to-wards securities markets. The Bank noted, however, that "by early 1987 there were signs that some firms were reappraising their role in the securities markets." A number had withdrawn

from individual sectors in the face of fierce competition and, in some cases, trading losses.

Few new Euromarket instruments emerged last year, the Bank said. Though two-Euromedium-term notes and assetbacked Eurobonds—have significant growth prospects, other innovations were specifically designed to exploit tax or accounting rules, especially markets by horrowers in applying to Japanese investors. developed countries, the sharp Meanwhile, the collapse of rise in issues and redemptions will make significant the perpetual floating rate note of fixed rate bonds amid fall- into outstanding debt."

THE RUSH by international market "illustrated some of ing interest rates, the doubling banks into securities markets the problems that can arise in size of the interest rate and when credit flows are chan- currency swap markets, and through securities the rise in international equity markets."

After investors had been attracted by relatively high yields and liquidity, competition between lead managers drove yield spreads down. When investors wanted to sell, the market was unable to absorb the volume, causing the temporary cessation of trading in December.

"Although the importance of this episode should not be exaggerated, it illustrates the risk that the liquidity of mar-ketable instruments may turn out to be not as great as it appears."

The Bank also pointed to the rising number of Eurobonds which have run into debt servicing problems. In the 20 years were estimated to have run into servicing troubles out of \$550bn issued. But last year alone, over \$500m became subject to restructuring.

These included three Chilean floating rate notes and bonds issued by Dome Petroleum, the Canadian energy group. "These cases demonstrated that restructuring bonds is considerably more complicated and costly than restructuring bank loans."

Among other developments noted by the Bank last year were the increasingly sophis-ticated use of the international and equity-linked issues.

Bank lending rose sharply and was dominated by inter bank flows, particularly among Japanese banks, while Japanese firms also increased their role managing international bond issues.

Japanese investors bought a net \$95bn of international bonds and \$7on of foreign equities last year, while Japanese borrowers raised a net \$27.8bn abroad in bonds and \$22.8bn from banks, as well as arrang-Euronote facilities of

Japanese banks in the UK held \$21.6bn in floating rate held \$21.6bn in floating rate notes at the end of January out of total holdings by banks in the UK of \$35.7bn. The Bank said the decline of the FRN market suggested a diminishing desire on the part of banks to increase their holdings, since it was clearly difficult to make a profit by holding them given their fine terms.

Meanwhile, the debt problems of developing countries overshadowed financial markets, with a continuing absence of voluntary lending to problem debtors. The Bank estimated that \$4bn of Third World debt had been converted into equity under official schemes, but it said "although helpful, it is unlikely that these approaches will make significant inroads

# MoF finalises commercial paper draft

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of those which can meet the re-Finance has submitted for con-sideration by experts a final secured straight corporate The MoF will straighten out duction of commercial paper in 170, as well as the nine electric Japan, which is expected to become a vital means of raising Telephone and Telegraph. short-term funds.

The draft defines CP as a promissory note, to be handled by both financial institutions and securities houses. It calls for setting maturities of between 30 days and six months, CP market "appropriate," but with a minimum face value at noted the need to review it a

The CP Conference, an advisory panel to the directors-general of the MoF's banking and securities bureaux, termed the proposed structure for the CP market "appropriate," but Y100m. year after its establishment. bility requirements ish ifted to
Eligible issuers of CP will be The expectation is that the mar- a ratings-based system.

Finance has submitted for consideration by experts a final secured straight corporate draft of its plans for the introbonds, now numbering about final details after obtaining approval of the draft from the large for Research into Committee for Research into the Financial System and the Securities and Exchange Coun-cil, both advisory bodies to the Minister of Finance. If all goes well, the first CP will be issued

this autumn.

The ministry is considering allowing non-residents to issue domestic CP as soon as the eligi-

# Japanese to join Warburg as director

By Carla Rapoport in Tokyo

S. G. WARBURG, the UK merchant bank, surprised the Japanese financial community vesterday with the announceyesternay with the announce-ment that a director of Bank of Tokyo, one of Japan's lead-ing city banks. is to become a director of Warburg Securi-ties in London and head of the bank's Tokyo affiliate.

Mr Kiyoshi Tsugawa, 53, will join Warburg's Tokyo branch early next month as president a title currently held by Lord Roll. The appoint-ment is widely believed to be the first in which a member of the board of a top Japanese bank has quit to join a foreign merchant bank.

Mr Tsugawa yesterday admitted that the move was a highly unusual one in Japan, where top executives generally stay with their companies until retirement. However, he retirement. However, he pointed out that since joining Bank of Tokyo more than 30 years ago, he has lived abroad for more than 13 years.

"I've been quite exposed to in-ternational business, including the securities business," he said yesterday. "In the wake of the further development of the capital markets in Japan and the increasing importance of Japan in world markets, I think this is a good move. I am positive about it.'

Mr Tsugawa dismissed the possibility that his move is first step toward wider links between Bank of Tokyo and Warburg. "Warburg has a lot of clients in Japan and stronger ties with Bank of Tokyo could upset those other relationships," he said.

A graduate of the University of Tokyo, Mr Tsugawa has worked for Bank of Tokyo in New York, Milan and Lon-don. He was appointed to the board of Bank of Tokyo in 1985 and has been in charge of the Bank's international Capital market acti-vities, including the domestic, Euroyen and US dollar credit markets.

Raymond Ind result

RAYMOND INDUSTRIAL, the Hong Kong group, posted an audited after-tax profit of HK\$12.7m (US\$1.6m) for the 17-month fiscal year ended in December 1986, reports AP-DJ from Hong Kong.

May, 1987

NEW ISSUE

This announcement appears as a matter of record only.



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Robert Fleming & Co. Limited Kleinwort Benson Limited Kuwait International Investment Co. s.a.k. Meiko Europe Limited **Morgan Guaranty Pacific Limited** The National Commercial Bank (Saudi Arabia)

SBCI has increased 2 Australia's Concrete Services

Also, Scottish and Newcastle Breweries has arranged a £30m, ten-year multiple option facility through Chemical Bank International, with a 6.25 basis point facility fee, a margin of 12.5 basis points over Libor, and a utilisation fee of five basis points above

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Application has been made to the Council of The Stock Exchange in London for all the free preferred shares of Nokia Corporation to be admitted to the Official List on 15th May, 1987.

The following table sets out the share capital of Nokia Corporation as at the date hereof:

Common shares of nominal value FIM 20 each

- Restricted Preferred shares of nominal value FIM 20 each

Restricted

FIM in issue 4,762,380 95,247,600 27,683,620 553,672,400 93,813,000 4,690,650 10,713,350 214,267,000

47,850,000 957,000,000

No. of shares

Listing Particulars relating to Nokia Corporation are available in the statistical service of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 19th May, 1967 from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2BT, and up to and including 29th May, 1987 from:

Sponsors to the introduction:

Enskilda Securities Skandinaviska Enskilda Limited

26 Finsbury Square London EC2A 1DS

**Union Bank of Finland Ltd** 46 Cannon Street London EC4N 6JJ

Kansallis-Osake-Pankki 80 Bishopsgate London EC2N 4AV

Brokers to the introduction: Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN

15th May, 1987

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To the Holders of

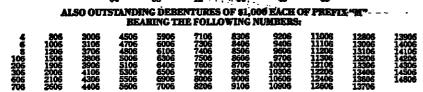
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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972, providing for the above Debentures, \$740,000 principal amount of said Debentures hearing the following serial numbers have been selected for redemption on June 15, 1987, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

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12 .... 44



On June 15, 1987, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust effice of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Bank Mees & Hope NV in Amsterdam: Credito Romagnolo S.p.A. in Milan and Rome and Gredit Industriel d'Alsace et de Lorraine, S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee with a bank in New York City, Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security numbes, as appropr On June 15, 1987, the Debentures designated above will become due and

Deted: May 15, 1987

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# INTERNATIONAL COMPANIES and FINANCE

# **US** side boosts News

Corporation By Bruce Jacques in Sydney

NEWS CORPORATION the NEWS CORPORATION the big media group controlled by Mr Rupert Murdoch lifted equity account profit sharply for the nine months ended March boosting the return from A\$142m to A\$228.7m (US\$162.9m). Turnover rose from A\$2.72bn to A\$3.92bn. The company, headquartered in Adelaide, played a pivotal role in restructuring the Australian media industry in the period by taking over The

Australian media industry in the period by taking over The Herald and Weekly Times and selling its lucrative Ten Network television interests centred around Sydney and

Melbourne.

News, which has large interests in the UK and the US, also sold much of the electronic assets of The Herald and spawned new independent media groups. Published results showed that Published results showed that the brik of the earnings increase came from the US where profits tunned from A\$104.6m to A\$315.6m. Earnings from the UK rose from A\$165.4m to A\$198.4m and Australian operations con-Attituded Assessment against Assi.9m previously. The result excluded foreign exchange trading spins of Ass2.9m against Ass67.33m and an extraordinary profit of A\$4.6m against A\$3.8m. British publishing opera-tions continued to trade satis-

factorily despite an advertis-ing market that performed below expectations, the com-pany said. The Sun, News of the World and the Sunday Times newspapers posted good profit improvements, but Sky Channel was "very disappointing."

#### NOTICE TO HOLDERS OF

**FUITSU LIMITED** U.S. \$80,000,000 5% Per Cent. onvertible Bends 1996 (the "1996 Bends") U.S. \$180,000,000 3 Per Cent.

exvertible Bonds 1999 (the "1999 Bonds") Bearer Warrants to subscribe for shares of Common Stock of FUJITSU LIMITED in conjunction with an issue of U.S. \$290,000,000 4% per cent. Bonds 1991 (the "Warrants")

Pursuant to Condition 5(Cixii) of the Berns and Conditions of the 1996 Bonds and 1999 Bonds, and Condition 7 of the Berns and Conditions of the Warrants, notice is hereby given that, because of the issuance of new U.S. Dellar bonds with warrants as May 14, 1987, the conversion prices of the 1996 Bonds and 1999 Bonds and the subscription price of the Warrants have been adjusted as follows:

FUITS) (JENTED By: The Bank of Tokyo
Trust Company
as Truster and Freedl As Dated: May 15, 1987

# State tightens grip on San Miguel

BY RICHARD GOURLAY IN MANILA

ment vesterday consolidated its control of San Miguel, the country's beer and consumer goods based group, by electing a majority of the company's directors using 51 per cent of the shares which it sequestered last April.

The decision leaves the Bond Corporation of Australia's offer to buy 13 per cent of the government-held shares as de-pendent on the Government and the Philippine courts, as it was before yesterday's shareholder

leaving six directors supporting the management team led by Mr Andres Soriano.

However, the PCGG re-elected to the post of chairman Mr Soriano, the son of the company's founder, who the Government claims has been trying to regain control of the company for a year. The PCGG has challenged Mr Soriano's methods for achieving this, but earlier this week promised not

the Philippine courts, as it was before yesterday's shareholder meeting.

The rapidly expanding Perthbased group offered to buy 13 per cent of the sequestered San Miguel shares as part of a management-sponsored scheme in April, but the Government approve the deal.

The Government through the Presidential Commission on Good Government (PCGG), and meeting the carlier this week promised not interfere in the company's day-to-day management.

The emotional meeting at which many shareholders were lapel badges telling the Government corporation.

The Government through the Presidential Commission on Good Government (PCGG), controlled by the Government, Soriano, have failed to answer

THE PHILIPPINES Govern- raised the number of directors employing more than 18,000 it elected from six to nine, people.
leaving six directors supporting. The case has attracted

attention among potential investors and out to see how seriously the Government is exercising its avowed desire to stay out of business. President Corazon Aquino formed the PCGG last year in order to track down the assets allegedly stolen by former President Ferdinand Marcos during the 20 years he was in preserved. stay out of business. President 20 years he was in power up to February 1986.

specific points on which the PCGG has based its opposition to the management's share

to the management share disposal deal.

Last April the PCGG sequestered over half the company, suspecting that the proceeds of a proposed buy-back of 33.1m shares by Mr Soriano would end up in the hands of a renowned business crony of Mr Marcos.

Mr Marcos.
Later, the PCGG claims, it discovered that Mr Soriano planned to sell San Miguel's group's Hong Kong brewery and use the proceeds of the sale for the share buy-back from which he alone would have benefited at the expense of the small share-olders.

of the small share olders.
Mr Soriano and San Miguel deny this charge, but have so far failed to explain away documentary evidence produced by the PCGG showing that this is the case.

Tongaat-Hulett

pays more as

earnings rise

# Setback for Westpac Banking

is to pay an unchanged interim dividend of 14 cents a share. Bad and doubtful debt fund-

BY YOKO SHIBATA IN TOKYO

A BOOMING condominimum market helped Mitsui Real Estate Development, the largest

WESTPAC Banking Corporation, Australia's largest private to A\$138.06m and the company banking group, has had first-half profits crimped by heavier bad debts and an increasingly competitive financial environment.

The banking group said the spread and mix of business had a present the profits of the first of the profits of the first of the profits of

Growth at Mitsui Real Estate

(\$216.5m) and net profits rose 30.1 per cent to Y15.26bn, on turnover of Y320.71bn, up

debts and an increasingly competitive financial environment.

The company reported an 8 per cent fall from A\$196.11m to A\$180.37m in net profits for trading banking, slid by 3.5 per the six months ended March. It cent to A\$111m and savings dividend of 14 cents a share.

Stood finance subsidiary, Australe Corporation.

Profit from the company's allowed profitability of its off-shore divisions to be maintained and profit powerhouse, trading banking, slid by 3.5 per trading banking, slid by 3.5 per divisions to be maintained and mix of business had allowed profitability of its off-shore divisions to be maintained and mix of business had allowed profitability of its off-shore divisions to be maintained and mix of business had allowed profitability of its off-shore divisions to be maintained and mix of business had allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed profitability of its off-shore divisions to be maintained company's allowed 5.5 per cent to A\$21.6m. from rises in net interest mar-The company paid tax of gins and fee income.

up 11 per cent. on turnover of Y375bn, up 19 per cent.

By Our Johannesburg

TONGAAT-HULETT, the diversified sugar, food, textiles and aluminium processing group which is the Anglo American group's principal Natal sub-sidiary, lifted turnover and profits in the year ended March

profits in the year ended March 1987 following a resumption of profits by the textiles and industrial divisions and despite lower profits from sugar.

Turnover rose to R2.14bn (\$1.07bn) from R1.85bn. Trading profit before interest and tax was R177.2m against R186m and the pre-tax profit rose even more sharply to R106.9m from R87m.

R37m. The food, starches and alu For the current fiscal year, Mitsui Real Estate projects pre-tax profits of Y35bn, up 15 per cent, with net profits at Y17bn. minium divisions increased their contributions to profits, Earnings per share have in-creased to \$2.5 cents from 24.4 cents, which is allowing divi-

The annual dividend is expected to be raised by another 0.5 per cent to Y9 a share.

# **Amcoal forecasts further** sharp decline in profits

Japanese property company, 15 per cent from the previous score double-digit gains in sales and profits in the year to ... The final dividend is to be

and profits in the year to The final dividend is to be March.

Pre-tax profits advanced by to make a total of Y8.5 for the 25 per cent to Y30.32bn year.

BY JIM JONES IN JOHANNESBURG

revenues and profits during the current year.

the last financial year from the previous year's 37.3m tonnes. Turnover increased to R1.18bn (\$US590m) from R1.08bn but operating profit before amortisa-tion, depreciation and tax dropped to R455.4m from R491.1m and pre-tax profit fell to R417.7m from R455.8m.

The directors say the increase in sales was largely due to greater deliveries to Escom, the state-owned electricity utility. Morethan 60 per cent of the groups sales are made to Escom by collieries dedicated to Escom. by collieries dedicated to individual power stations.

ANGLO AMERICAN COAL Coal export revenues suffered ANGLO AMERICAN COAL Coal export revenues sumered CORPORATION (Amcoal) from lower dollar prices on exsouth Africa's largest coal port markets and the stronger mining group, increased sales rand dollar exchange rate. The by almost 10 per cent in the South African coal industry's year to March 31 but suffered a exports surged in the latter part of 1986 and early in 1987 as substantially lower sales exporters attempted both to revenues and profits during the barriers by the US and some coal before higher rail tariffs were introduced on April 1

Plans to expand the Richards Bay export terminal have been shelved for the present as the industry fears export volumes are set to declaie this year. Earnings dropped to 781.1 cents a share from 832.4 cents, and the year's dividend was maintained at 240 cents. The directors expect the dividend to be maintained again this year.

Amoral is part of Anglo

American Corporation, South Africa's largest mining and in-dustrial group.

NOTICE TO THE BONDHOLDERS OF

**Toppan Printing Company, Limited** 

**U.S. Dollar Denominated** 2¾ per cent. Yen-Linked Convertible Bonds 1994 (the "Bonds") and adjustment of conversion price to be made as a result of the authorisation of free share distribution

Pursuant to the Terms and Conditions of abovementioned Bonds, we hereby notify as follows:

1. The Board of Directors authorised on 23rd April. 1987, to effect a free distribution of shares at the (100) shares held at the time of the close of business on 31st May, 1987 (the record date).

2. Accordingly, the Conversion Price of the abovementioned Bonds will be adjusted pursuant to Condition 6(A) of the Terms and Conditions of the Bonds effective as from the 1st June, 1987 Tokyo

Conversion price before adjustment: Yen 698.20 Conversion price after adjustment: Yen 677.90

15th May, 1987

Toppen Printing Company, Limited 5-1, Tatio 1-chame Tairo-ku, Tokyo



# **Global Natural Resources Ltd**

A Scheme of Arrangement dated 17th May 1983 providing, among other things, for the exchange of bearer shares of Global Natural Resources Limited. formerly Global Natural Resources PLC, a company organised under the laws of England (Global-UK), for registered shares of Global Natural Resources Inc., a company organised under the laws of the State of New Jersey, USA (Global-US), became effective in July 1983. Pursuant to the Scheme of Arrangement, the issued and outstanding shares of Global-UK have been cancelled. They entitle the holders only to obtain registered shares of Global-US in exchange for their bearer shares of Global-UK and have otherwise ceased to have effect.

Holders of shares of Global-UK will not be entitled to receive dividends or notice of meetings or be able to vote or otherwise participate in the affairs of Global-US unless and until their bearer shares of Global-UK and the Form of Application to receive registered shares of Global-US, legibly completed, are received by the Exchange Agent named below and the shares of Global-US are registered in the name of such holders. Accordingly holders of bearer shares of Global-UK are strongly urged to write to one of the addresses given below to obtain Forms of Application.

Forms of Application may be obtained from the

**Exchange Agent:** Registrar and Transfer Company Attn: Exchange Department, 10 Commerce Drive Cranford, New Jersey 07016, USA

or from: Global Natural Resources Inc. 5300 Memorial Drive, Suite 900 Houston, Texas 77007, USA

or from: Hambros Bank Ltd Attn: Stock Counter, 41 Bishopsgate London, England EC2P 2AA

# Aries Technology, Inc.

recently completed a \$5,000,000 private placement of Series C Convertible Preferred Stock to

**MIP Equity Fund** 

The undersigned acted as financial advisor to Aries Technology, Inc. in its negotiations.

Alex. Brown & Sons Incorporated

April 1987

NOTICE OF CALL AND REDEMPTION To the Holders of

The Bank of Tokyo, Ltd., Portland Branch
(Incorporated with Imited Sability in Japans)
US\$10,000,000 Callable Negotiable Floating Rate
Certificates of Deposit due May 31, 1988 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates, The Bank of Tokyo, Ltd., Portland Branch ("the Bank") will prepay the outstanding principal amount of the Certificates identified below in full on May against presentation and surrender of said Certificates at the Bank of Tokyo Trust Company at 100 Broadway, New York, NY 10005. The Certificates being celled are as follows:

issue Date May 31, 1983

Total Number of Certificates Redeemed

(Nos PT 13127-138)

Principal Amount of Certificates Aggregate Principal Amount \$19,000,000 \$1,000,000

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 6th, Portland, Oregon, 97204

# **UK COMPANY NEWS**

# Holmes a Court sells 20% stake in Morgan

By Terry Povey

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MR Robert Holmes à Court's Bell Group has sold its entre 19.5 per cent holding in Morgan Crucible after 18 months of doubt as to whether the stake was a pas-sive investment or a bid plat-

The 18.73m shares were The 18.73m shares were placed with institutions yesterday at 333p through a £62m bought deal put together by hrokers Warburg Securities and Cazenove. After news of the deal the material technology group's shares fell 16p at 351p.

Commenting after the sale.

Commenting after the sale, Commenting after the sale, Mr Graham Swetman, Morgan Crucible's finance director, said "we are delighted at the confidence shown in us by the institutions involved in the placing and pleased that the Bell saga has come to an end."

# Bell owns 7% of Peachey

Beil Group International of Australia, controlled by Mr Robert Holmes à Court, yesterday declared that it owned 7.2 per cent of Peach Projerty, recently the subject of bid speculation on

The stake, of 2.5m shares The stake, of 2.5m snares worth £10.87m at yesterday's closing price, is assumed to be that once held by Real Property and Finance, a subsidiary of British Land.

British Land does not know

THE THE PROPERTY OF THE PARTY O who eventually bought its 7.2 per cent stake in Peachey, but it was sold last Frinday, a day when the Peachey share price jumped 47p to 425p. British Land initially built up its holding to February at a its holding in February at a price probably around 325p a

The disclosure by Bell has fomented conjecture that Peachey will sooner or later be the subject of an offer and this has been reflected in its share price movements over the last two days, when falls early in the week were

wiped out.
Yesterday the price rose
10p to 435p, after a climb of
11p on Wednesday.
Bell is now the largest
single shareholder in
Peachey. Other major bolders
are the Imperial Chemicals
Staff Pension Fund with 5.14 per cent, and Clérical Medical and General Life Assurance with 6.1 per cent.

JEROME: Mr Alan Jerome chairman, told the agm that confidence indicated in his annual statement was well founded. Sales in the first four months of current year were ahead of the equivalent period. Order input in textile divisions had continued at an encourag**ISSUE NEWS** 

# **Computer People makes** first mini-offer for sale

Computer People, Britain's The prospectus shows how out to be a mite more highly biggest computer staff agency, pre-tax profits have grown from priced than seemed probable a today becomes the first company to come to the London stock market through a mini offer for sale—a cross between a placing and a full offer.

Some 30 per cent of the com-pany's enlarged equity is being floated off at 230p a share, Half of it is being placed with institutional investors and half is being made available to the public as in a normal offer for

Altogether, 3.39m shares are to be placed and offered at 230p each, putting a value of £26.2m on the company. Hill Samuel is sponsoring the issue and Wood Mackenzie is the stock-

Computer People supplies specialist staff to computer users, usually on a long-term temporary basis. A third of its business is in the US.

# Chemoxy value set at £5.35m for full float

Chemoxy International, a Teesside-based processor of speciality chemicals, is to become one of the smallest recent entrants to the main market with a flotation which will value

De Zoete & Bevan, the stockbroker, is placing 1.05m shares—some 36 per cent of the total equity—at 185p each. Slightly more than 60 per cent of the shares are being issued by the company, with the rest being sold by existing shareholders. Chemoxy is the product of a £450,000 management buy-out from Carless Capel & Leonard, the quoted oil exploration com-pany in 1984.

the flotation.

comment

Computer People's offer-cumplacing may succeed in cutting out the big league stags but seems fated to disappoint smaller public applicants with tiny allocations. The response is likely to be strong, for if Computer People has turned

the year to last December. The company is not making a profits forecast, so it is coming to the market on an historic price/ earnings ratio of 20.4.

Were doubtless influenced by the sigh of Select Appointments' shares rising to a premium of nearly 70 per cent after their flotation on an hismarket on an historic price/
earnings ratio of 20.4.

Half the shares are being sold by existing shareholders and half are being issued by the company. The flotation costs are unusually high at £1.2m, but Hill Samuel says this is because of the expense of reorganising the group prior to the flotation.

In the flotation of nearly 70 per cent after their flotation on an historic price/earnings multiple of 20 last month. Prospectively, too, Computer People's price does not look so outrageous: the sterling/dollar exchange rate may not be smiling on US profits, but with consultants on assignment already running 25 per cent after their flotation on an historic price/earnings multiple of 20 last month. Prospectively, too, Computer People's price does not look so outrageous: the sterling/dollar exchange rate may not be smiling on US profits, but with consultants on assignment already running 25 per cent their flotation on an historic price/earnings multiple of 20 last month. Prospectively, too, Computer People's price does not look so outrageous: the sterling/dollar exchange rate may not be smiling on US profits, but the first flotation of 20 last month. Prospectively, too, Computer People's price does not look so outrageous: the sterling/dollar exchange rate may not be smiling on US. assignment already running 25 per cent higher than last year and greater productivity coming through from the sales force, a pre-tax profit of £2.4m does not look out of reach. That produces a prospective multiple of 16—a reasonable enough figure for a well-established specialist operator in this fast-growing sector of the market.

# **Practical Investment for** market with £16.6m value

Practical Investment, an invest-ment trust company, is being floated on the stock market through a placing by brol crs Scringeour Vickers which will value it at £16.6m. A total of 6.79m shares are being placed at 83p each.

come an approved investment The company's main business is investing in investment trusts. Its present portfolio consists of 10 investments comtrust's net assets per share have

consists of 10 investments com-prising the capital shares of risen by 275 per cent from investment trusts, unit trusts December 7 1982 to February and a holding in M & G, the fund management group. Of the shares being issued, ries All-Share index over the 6.29m are new shares and same period and 176 per cent 495,000 are being sold by existing shareholders. The flotation index. BY RICHARD TOMKINS

# Pickwick's paper gets £27.42m tag

stock market, today publishes the prospectus for its offer for

company this year to have opted for an offer for sale when the others were Capital Radio and Sock Shop. It says the offer method will produce more publicity and a wider share-

of the £8.45m proceeds, nearly £4.7m will go to existing shareholders and about £3.5m net to the company. Some £2.88m of the company's proceeds will be used to buy the redeemable share relatively modest.

Pickwick, the record, capital issued when a consor-cassette and compact disc tium of City investors took a company being floated on the 50 per cent stake in 1986.

comment

Pickwick may sound like a N. M. Rothschild is selling
6.76m shares at 125p each,
valuing the company at £27.42m.
The shares are being sold on
a multiple of 16.3 times forecast earnings for the year to
December 1987.

The real key to the company's Pickwick's traditional busi-ness is producing low-price pop its products but in its distribuand classical records and cas- tion network, which gives it settes, but it has recently outlets in every high street in started to use its distribution network for pre-recorded video casettes, children's bookand-cassette packages, and compact discs. The prospectus shows how recognition of the network's this has led to a sharp increase in pre-tax profits from drive to put new products £618,000 in 1985 to £1.6m last year, and the company is forecasting at least £2.6m for this phase of development, which suggests that there is scope for the products of the product of 1987 result from th company's year,
Pickwick is only the third short-to-medium term. Pickwick's shares, unlike its products, are not cut-price on a prospective price / earnings multiple of 16.3, but the rating will be justified if the forecast proves conservative and the earnings growth is maintained next year. Small investor enthusiasm for the offer seems assured in the wake of Rolls

Royce, so the level of oversub

scription should make it a hit even if the ensuing premium is

#### **BOARD MEETINGS**

|--|

#### NV. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch)

Established at The Hague, The Netherlands

#### Final dividend 1986

The General Meeting of Shareholders of Royal Dutch Petroleum Company held on 14th May, 1987, has decided to declare the final dividend for 1986 at N.fl. 8.30 on each of the 268,037,044 ordinary shares with a par value of N.fl. 10 outstanding at December 31, 1936, so that the total dividend for 1986, including the interim dividend of N.fl. 4.50 already made payable in September 1986, will amount to N.fl. 12.80 on each of the said shares.

in the case of holders of bearer certificates with coupons this final dividend will be payable against surrender of coupon No. 181 on or after 25th May, 1987, at the offices of:

#### N.M. Rothschild & Sons Limited. New Court, St. Swithin's Lane.

on business days between the hours of 9.30 a.m. and 2 p.m. Payment will be made in sterling at the buying rate of exchange current in London at 2 p.m. on 18th May, 1987, in the case of coupons presented on or before that date, or on the day of presentation in the case of coupons presented subsequently. Coupons must be accompanied by a presentation form, copies of which can be obtained from N.M. Rothschild

In the case of shares whose dividend sheets were, at the close of business on 14th May, 1987, in custody of a Depositary admitted by Centrum voor Fondsenadministratie B.V., Amsterdam, this final dividend will be paid to such Depositary on 25th May, 1987. Such payment will be made through the medium of N.M. Rothschild & Sons Limited, after receipt by them of a duly completed CF Dividend Claim Form.

Where under the double tax agreement between the United Kingdom and the Netherlands, 15 per cent Netherlands dividend tax has been withheld, the 15 per cent Netherlands tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom income tax at the reduced rate of 12 per cent instead of at the Basic Rate of 27 per cent represents a provisional allowance of credit at the rate of 15 per cent.

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax at the basic rate.

The Hague, 15th May, 1987. THE BOARD OF MANAGEMENT

# Levy limits Grampian TV

Grampian Television was held Grampian Television was held back by a substantial rise in the Exchequer Levy. Befor levy. profits were 23 per cent higher but the pre-tax figure was only 6 per cent ahead at £1.77m against £1.68m.

And Sir Iain Tennant, chairman wayned that the results

man, warned that the results for the first half of the present year were unlikely to be encouraging. But he added that, as usual, the second half would attract the greater proportion of the companys revenue and, "hopefully, the full year re-sults would show a modest im-

under review." The shares of Grampian, which is the IBA contractor for the north of Scotland, fell by

14p to 85p.

Directors said that the rise in the levy from a credit last time of £11,000 to a payment of £286,000 was the result of allowing rate and orders on hand at end orders on hand at end April were significantly ances for overseas sales of the point in 1986. The weaving the previous financial year.

GROWTH IN pre-tax profits at 7.78p (6.94p). A final of 1.87p (1.57p) is proposed making a total for the year of 2.3p against

> ICELAND FROZEN FOODS: Mr Malcolm Walker, chairman and chief executive, told a AGM that turnover so far this ACM that turnover so far this year was showing substantial uplift. He was confident overall performance for 1987 would show significant increase.

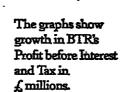
MEYER INTERNATIONAL has acquired three separate privately owned timber whole-saling and merchanting busi-nesses in Australia for a total of \$5.5m (£2.4m) cash. Net Aggregate annual turnover of the businesses on acquisition was \$17.5m.

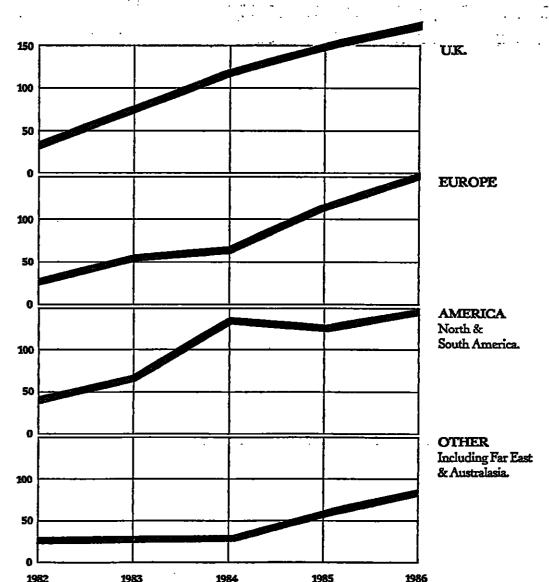
LONDON ATLANTIC Invest ances for overseas sales of the level at the same point in 1986. The wearing expansion programme had been accelerated and Mr Jerome said he looked forward to another very successful year and the achievement of further record profits.

ances for overseas sales of the LONDON ATLANTIC Investment Trust: Net asset value at the previous financial year.

Turnover for the year to the gent of February 1987 was \$35.3p. Earnings per share dend of 5.15p makes 7.25p (6.95p). A final dividend of 5.15p makes 7.25p (6.7p), Profit before tax was to give earnings per 10p ordinary and A non-voting shares of \$254,000 (£399,000).

1986





Growing places.

# THAMES TELEVISION PLC

"We have succeeded in producing a result which reflects a solid improvement in Thames's core business."

# **SUMMARY OF RESULTS**

Year ended 31 March

<del>.</del> .	2'000	£'000	
Turnover	222,221	190,907	+16.4%
Profit before Exchequer levy	37,251	17,271	
Exchequer levy	12,504	2,646	
Profit on ordinary activities before taxation	24,747	14,625	+69.2%
Taxation	8,818	6,347	
Profit on ordinary activities after taxation	15,929	8,278	+92.4%
Extraordinary item	502		
Profit for the financial year	15,427	8,278	
Dividends paid and proposed	5,762	4,134	
Earnings per share	33.2p	17.4p	
Dividends paid and proposed	12.0p	8.66p	

The figures for the year ended 31 March 1987 have been extracted from the full accounts on which the auditors have issued an unqualified report, but which have not yet been filed with the Registrar of Companies. The extraordinary item is in respect of flotation costs and is shown net of Exchequer levy.

Thames Television PLC, Thames Television House, 306-316 Euston Road, London NW1 3BB.

FOR YOUR COPY OF BTR'S 1986 ANNUAL REPORT & ACCOUNTS WRITE TO SILVERTOWN HOUSE, VINCENT SQUARE, LONDON SWIP 2PL, OR PHONE 01-834 3848.

# HOTELS MAR STRONG PERFORMANCE ELSEWHERE

# GrandMet improves 18% to £168m

Grand Metropolitan, the drinks, hotels and foods group, yesterday reported pre-tax pro-fits of £167.7m for the half-year ended March 31, an increase of 18.3 per cent on the £141.8m returned for the same period of the previous year.

Profits, however, included £4.2m (£4.5m) from property sales, taken above the line for the first time, and a pensions holiday totalling £5.3m. The result, better than fore-cast by City analysts, would have been £6.6m higher, said GrandMet if US dollar exchange rates for the period had been the same as those in the 1925-26 first half

the 1985-86 first half. The profits growth, with strong performances from all divisious except hotels, was achieved on a little changed turns of \$2.57bc

turnover of £2.57bn. Trading profits of £212.8m were up by 11.1 per cent but, stripping out discontinued busiperiod. Earnings per share increased

by 10 per cent, from 13p to 14.3p, after a higher tax charge and the interim dividend has been increased from 4p to 4.5p. Despite only a small growth in sales of beer, in a static market, trading profits on brewing activities, at £41.4m, showed an increase of 15 per cent.

GrandMet said Ruddles, the cult "real ale" brand acquired last year, was being rolled out into national distribution and that it was optimistic for the

of 23 per cent on the previous sales and an 18.5 per cent in the division and improve

Express Foods, increased its trading profits by 21.4 per cent to £19.3m despite what Grand-Met called difficult market

The companies within the US The results included trading consumer products division, profits of Hueblein and Almaden now under scrutiny by Mr Ian only from early March 1987. Martin, formerly managing GrandMet said the second half director of the beer division, all improved sales and trading profits of £27.1m were up by 27.8 per cent. Negotiations are continuing for the sale of DP and France Tede US.

from Elders IXL, but under a deal struck last month, Elders will also brew the brand in the UK at its Courage brewery.

Consumer services, which includes Mecca Bookmakers and retail operations, showed an 11.7 per cent increase in include of the financial year.

Ther-Continental hotels' performance continued to be unsatisfactory, said GrandMet, lifted to over 100 per cent by the \$1.2bn purchase of Hueblein in January, would be reduced to about 90 per cent by the financial year.

See Lex

increase in trading profits to sales and marketing.

232.6m. IDV, the largest wine and spirits operation in the world with brands including Spirits operation in the world with brands including Pailors.

with brands including Baileys Irish Cream, J & B Rare Scotch and Smirnoff vodka, made trad-inug profits of £82.6m, an increase of 33 per cent, on sales of £690m.

# **B&C** profits slide without Exco contribution

Holdings, financial services and industrial group, increased operating profits by 23 per cent in 1986 but results at the pretax level slid as the company went through its one year without any contribution from

B&C also said yesterday that it would limit to 2.5 per cent the outside equity interes in a new company it plans to set up to hold its non-nancall activities, copters pulled air transport Previously, it had suggested down from £9.2m to £2.8m and that up to 20 per cent would the office equipment chipped in be offered. The change reflects only £1.1m against £3.2m. There City qualms over dilution of existing shareholders' equity.

were upturns, however, in ship-

profit contribution from associated companies plummetted from £51.2m to £16.4m. The most significant factor was the 21.6 per cent stake in Exco, which B&C held for 11 months of 1985. It has had it all from the beginning of 1987, after a like included profit of the sale of most of its remaining stake in Telerate. With earnings per share of 14.8p, against a restated 19.8p, B&C plans to increase its final dividend to 3.55p (2.8p) to make a total of 6p (5p).

Operating profits advanced The results in the commercial £673m agreed bid, but it felt from £22.6m to £27.9m, with the and service sectors underlined the absence last year, B&C also financial services contribution B&C's desire to use the planned sold its 19.8 per cent stake a

soaring from £2m to £12.9m, spin-off, due by the late sumlargely on the strength of nearly mer, to concentrate manageit rebled profits frmo the Garimore investment management side.

The non-financial activities, most of which B&C plans to spin off into a separate company, did les well. Bristow helicopters pulled air transport spin of the first spin of the spin

# Exco shows 20% profit fall

EXCO. financial services group, reported a 20 per cent fall in pre-tax profits for 1986, its last year of independence before takeover by British & Commonwealth Holdings.

The pre-tax figure of £70.1m, against £87.4m in 1985, included an exceptional loss of more than £7.4m at Wieo, the stockbroker, which Exco sabsequently sold to Banque Indosuez.

The fall in operating profit. excluding the exceptional loss, from £86.5m to £73.9m reflected the sale of Exco's majority stake in Telerate, screen-based business infor-mation group, in July 1985. The Telerate disposal also

accounted for the decline in turnover from £202.9m to £152.2m and much lower net extraordinary income of £361,000, against £156.3m. The 1986 figure included a £2.1m profit from the Wico sale and

Apart from stockbroking, which failed to meet expecta-

tions, other parts of the group showed strong advances. Money broking increased turnover zy 15 per cent and profit by 30 per cent, with 60 per cent and 50 per cent advances in forfaiting.

After tax income fell from £37.3m to £27.5m, with net attributable profit of £41.4m against £192.5m. Earnings per share, including the excep-tional charge, rose from 17.5p Exec became a fully owned

subsidiary of B&C on January

ESTIMATED FIRST QUARTER RESULTS 1987

DAVIDSON PEARCE (advertising group) - At agm chair-man said the long-term opportunities were much increased by the development of 1986. That was the first full year as a public company; financial targets were met and company developed into other areas. Annual billings now approach-

ing £100m. MUSTERLIN (publishers) has acquired Canongate Publishing of Edinburgh, Scotland. The acquisition will increase Musterlin's turnover, around £7m, by £250,000 in the current year and by £500,000 in a full

# Apartheid protestors disrupt meeting

By Lucy Kellaway

THE ANNUAL general meeting of Shell Transport and Trading was almost brought to a standstill yesterday as a result of rowdy protest from anti-apartheid groups.

After nearly an hour of After nearly an hour of angry questions and answers during which the company staunchly defended its continued presence in South Africa, Mr Peter Holmes, chairman, ordered that a special session be held immediately after the meeting for further questions on for further questions on South Africa.

Shell has become the chief Shell has become the chief target for anti-apartheid campaigners now that such companies as Barclays, Rodak and Exron have pulled out of the country. A full page advertisement protesting against Shell's continued involvement appeared in newspapers extier this week. Shell is expected to respond today.

#### Critics

Mr Holmes said yesterday that he doubted the wisdom of the recent movement by or the recent movement by international companies to pull out of South Africa. "We can see what the effects have been. Panic has not swept either the South African Government or the white community. In fact, supporters of apartheid in South Africa are beginning to welcome with beginning to welcome with-drawal It expands local white ownership of attractive businesses at bargain prices and silences local critics of apartheid," he said.

But speakers from the floor argued that by remaining in the country, Shell was prop-ping up the apartheid regime.

The company was also the company was also questioned on its alleged infringements of the oil embargo by supplying oil to South Africa. Mr Holmes said he was "absolutely positive" that no Shell Oil had reached South Africa during the past five years.

Shareholders were provided shareholders were provided with copies of recent advertisements in South African newspapers with captions such as "Shell supports a Free Press." The Rev David Haslam, secretary of the Anti-Apartheid Movement, described such steps as "too little tab late." He said: "wo little, too late." He said: "we will sting, sting, sting until Shell comes out of South

The atmosphere was hostile between the objectors and the rest of the shareholders who left the room for wine and age rolls after the formal end to the meeting. One speaker accused them of "going to stuff their faces while people were being killed." Red and yellow balloons with the caption "Boy-cott Shell" were released as about a dozen uniformed Shell men moved in anxiously.

Assect Paper .....int Bank of Ireland .......

Berkeley Group ..... Brit & Cmmwlth .....

Chillington Cpn ....... Corton Beach ......

London Atlantic ..... 5.15
Perpetual ......int 0.8
Saatchi Saatchi ...int 16.4

# R. Dutch/Shell down to £606m in first quarter

Royal Dutch/Shell yesterday announced first quarter 1987 profits down by over half com-pared to the first quarter of last year, with current cost pro-fits reduced to £606m from

fl.Sibn.
However, the 1886 figures were unusually high because crude oil prices fell more sharply than product prices, and the decline this year was, if anything, slightly less than the City had expected.

Replacement cost profits in Replacement cost profits, in which last year's stock loss of £593m became a gain of £92m, were almost unchanged at

£698m (£718m). Mr Peter Holmes, chairman of Shell, described the outlook for oil prices as "fairly encouraging," but warned against sharp price movements, which could be either up or

down.

The present "delicate balance" that had been achieved in the rarket could easily be upset if production did not respond quickly to changes in demand, he said.



Profits for the full year would depend on the level of oil prices, although recent rationalisation of Shell's refineries, coupled with recent acquisitions, should improve its position in the industry.

The bulk of the drop in pro-

marketing, with current cost profits down from £614m in the first quarter last year to £166m, despite a volume increase of 14

per cent.
Margins were much lower than at the beginning of last year, although they had improved in the course of the proved in the course of the quarter, the company reported. Meanwhile, profits from all exploration and production were about 25 per cent below last year because of lower oil prices, and significantly reduced say prices. Earnings massward gas prices. Earnings measured in sterling were further depressed by the recent strength

pressed by the recent strength of the currency.

Chemicals had a strong quarter, with current cost profits £40m higher at £89m, boosted by improved margina, increased volumes and better

sales mix.
Capital expenditure was nearly £200m lower at £250m in the first quarter, although the figure for the full year is experted to be about the same

# BP profits slip back to £324m

BRITISH PETROLEUM yester-day reported a replacement cost profit of £324m for the first three months of the year, less three months of the year, less than half the £740m figure for the equivalent period in 1986. However, the replacement cost profits a year ago were unusually high because product prices did not immediately fol-low the downward trend in the cost of crude oil. Refinery margins therefore received a large

temporary boost. This year refinery margins were much weaker because although product prices recovered compared with their levels at the end of last year, they did not match the rise in crude oil prices from about \$15 last in the first quarter last year. This profit included net stockholding gains of £134m combanding gains ga

Profits from BP Oil International, the downstream arm of the business were £117m in of the business were £117m in the first quarter on a replacement cost basis before interest, tax and extraordinary items.

Funds generated from operations during the quarter increased to £1.28bn compared with £1.19bn in the first quarter.

ter.

Earnings from exploration and production in the first quarter of this year were £265m.
This compares with £281m earned by the upstream sector, a year earlier, when the price of oil was almost the same. The volume of oil produced this quarter was somewhat higher but the earnings in sterling terms were depressed by the fall of the dollar.

On an historical costs basis

holding gains of £134m com-pared with stock-holding losses of £718m in the first quarter of

ter last year. After funding capital expenditure and acquisitions of £699m the group had a funds surplus of £534m.

The group's liquid resources

at the end of the quarter stood at f4.7bn. However, a large part of this will be used to pay the \$7.6bn (f4.55bn) cost of acquirs7.6bn (14.550h) cost of sequir-ing the 45 per cent of Standard Oil of the US which BP does not already own. Cash holdings of about £2.5bn are expected to be run down to about £760hn by the middle of the year.

Standard Oil's contribution to BP's replacement cost operating profit was £261m compared with £134m in the fourth quarter of last year and £329m in the first quarter of 1986. BP chemicals made a replace-

ment cost operating profit of £47m, which was £6bn less than in the same period of 1986. However, profits were badly affected by cold weather in January, and on an underlying basis the chemicals business is said to have improved. See Lex

# Bank of Ireland earnings jump

BY HUGH CARNEGY IN DUBLIN

Bank of Ireland yesterday ing. Total income was I£417.5m demand squeezed margins and drove deposits abroad. Most of earnings per share in 1986-87 despite only a marginal increase posed, making a total of 11p demand squeezed margins and drove deposits abroad. Most of the bank's bottom line improvement came from a welcome in pre-tax profits from ISSL3m (£73.2m) to ISSL5m.

Net profits in the year to March 31 1987 were up almost 16 per cent at L£50.09m after a drop in tax charges from 1637.4m to 1630.6m. Earnings

1637.4m to 1630.6m. Earnings per 161 share were up from 27.5p to 31.5p.

The bank attributed this growth to a fall in bad debt provisions, down by more than 18 per cent to 1646.5m; higher non-interest income; increased contributions from subsidiaries; and increased tax-based lend-

**year** 

year 7

Date Corres- Total

for the year. This was up from 10.250 last year, allowing for a one-for-one ecrip issue last

Mr Mark Hely Hutchinson, the managing director, said the results were pleasing given the

cent in the past two years.

comment

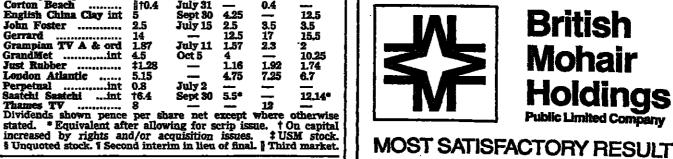
The combination of the the ecretention tax and flat loan health.

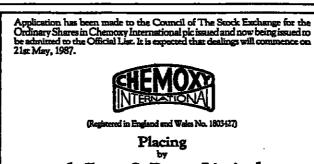
reduction in loan loss provisions and better results from non-banking operations.

Ireland's second largest bank now hinting at much improved results in the coming year as a major cost-cutting exercise gets under way, and the benefits of steady overseas diversification comes through, including the recent acquisition of Bank of America's UK mortgage business. The bank has a surplus of capital in the order of £190m and is likely to announce another acquisition before long, this time probably in the US.

The weakest side of the Ireland has not been the business will continue to be in best place to run a banking Ireland itself until the new business these last 12 months.

The combination of the economy up into better





**DIVIDENDS ANNOUNCED** 

†2.5 7.75

†1.65 3.55

4.5 10.4

Current of ponding payment payment div

Aug 12 July 9

July 2

de Zoete & Bevan Limited of 1,046,680 Ordinary Shares of 10p each at 185p per share SHARE CAPITAL

£400,000 Ordinary Shares of 10p each PRINCIPAL ACTIVITIES The Company's business is the provision of services to the internations chemical industry and the development and manufacture of specialist chemical products.

Listing particulars relating to Chemoxy International pk are available in the Extel Statistical Services, and copies of the Placing document may be obtained during usual business hours on any weekday (Seturdays and public holidays excepted), up to and including 29th May, 1987, from: de Zoete & Bevan Limited Ebbgate House, 2 Swan Lane, London EC4R 3TS Chemoxy International plc All Saints Refinery, Cargo Fleet Road, Middlesbrough, Cleveland TS3 6AF

and, during usual business hours on 18th and 19th May 1987, from: The Company Announcements Office, The Stock Exchange, 15th May, 1987

# **British** Mohair Holdings

CONFIDENT OF **FURTHER PROGRESS** 

★ Turnover £41,999,000 compared with £40,407,000 last

 Profit before tax £3,907,000, compared with £3,474,000 in previous year. \* Total dividend increased from 6.0p to 6.50p, covered

2.9 times by earnings after tax. \* Policy continuing to expand group by acquisition of well managed and profitable companies

Group now more widely based and less affected by cyclical nature of textile trade. # Strong forward order position in most sectors of group. Confident of continued progress in 1987.

TRADING SUBSIDIARIES British Mohair Spinners Geo. Ackroyd June Jeremiah Ambier (Uister) Crotion Yams Keighley Fleece Mills Stork Bros. T. Mat Engineering W. B. & U. Alkinson

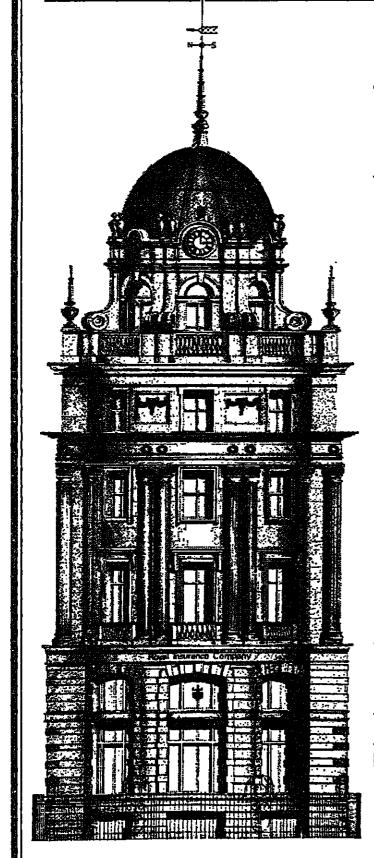
The Jewel Stade Co.

machinery access Spinners of hand indition ING YEITIS Merchants of paper and packing materials of paper and Dischants of paper and Dischant meterials packing materiels Manufacturers of industrial surgical and razor blades

Worsted spinners Commission combers Worsted spinners

serty company Woollen spinners Accustic engineers

Copies of the Annual Report and Accounts may be obtained from The Secretary, British Mohair Holdings plc. P.O. Box 58, Midland Mills, Bradford SD1 4RL



Pre-tax profits increased by over 62% to £47.8m and earnings per share rose from 10.2p to 13.2p. The recovery in results continued in both the United

States, where there was a pre-tax profit of £41.2m and in Canada which achieved a profit of £11.8m. In the United Kingdom there was a pre-tax loss of £18.7m with the result being severely affected by

in a quarter. Pre-tax earnings for Royal Life Holdings rose by over 38% to £10.1 m. New annual life premiums increased by 30% to £21.3m and new single premiums by 90% to £123.1m.

some £56m of weather claims, the highest ever total

Operating conditions in our major markets remained favourable. Taking into account the weather losses and some not unexpected resurgence of competition in the United States, we have made a useful start to a year during which we believe there will be further benefits from the improvement strategies implemented in recent years.

	3 Months to 1987 (uncoud	1986	Year 1986 (audited) £m
General Premiums	811.5	744.9	3,103.1
Long-term Premiums	228.3	144.4	692.3
General Insurance: Underwriting Balance	-57.0	-65.3	-108.8
Allocated Investment			
Income	66.7	66.6	278.8
Result	9.7	1.3	170.0
Long-term Insurance Profit	8.7	7.0	28.4
Investment Income attributable to Capit and Reserves	aí 23.7	18.7	89.3
Share of Associated Companies' profits	5.7	2.4	17.1
Profit before taxation	47.8	29.4	304.8
Taxation	16.2	5.1	54.4
Minority Interests	0.4	0.3	1.8
Net Profit	31.2	24.0	248.6
Earnings per share	13.2p	10.2p	_105.3p
Capital and Reserves	£2,496m	£2,159m	£2,465m
The shareholders' leaflet is a			

be obtained from Corporate Relations, Royal Insurance plc,

Royal Insurance

Combill, London, EC3V 3QR.

SKANDIA INTERNATIONAL

**HOLDING AB** 

ANNUAL GENERAL MEETING

The shareholders of Skandia International Holding AB are hereby called to the Annual General Meeting to be held on Wednesday,

3 June, 1987 at 4 p.m. at Cirkus, Djurgårdsslätten, Stockholm,

Matters prescribed by the Swedish Companies Act 1975, and by the

Attendance at the Meeting

- be registered in the share register maintained by Vardepappers-

notify Skandia International, Corporate Law, Box 7693,
 \$-103.95 Stockholm, of their intention to attend not later than

Friday, 29 May, 1987, by 4 p.m. Notification should preferably be in writing, but may also be given by telephone INT + 46 (8) 788 45 58 and should specify name, address, tele-

phone number and civic registration number, where applicable,

Shareholders whose shares are registered in the name of a nominee, must temporarily have their shares registered in their own names to

have the right to attend the Meeting. Such re-registration must

be effective not later than Friday, 22 May, 1987. Request for re-

registration should be submitted to the nominee several banking days

Dividend

The Board of Directors has recommended that the record day for

entitlement to a dividend shall be Tuesday, 9 June, 1987. If the Annual General Meeting passes a resolution in accordance with this recommendation, the dividend will be paid by Värdepapperscen-

Afraien VPC AB on Tuesday, 16 June, 1987 to those shareholders who

Earnings per share (p)

13.60

1166

YEAR 82

83

84

85

The Board of Directors

27.47

22.15

17.96

were registered in the share register on the record day.

centralen VPC AB not later than Friday, 22 May, 1987,

Company's Articles of Association

Shareholders wishing to attend the meeting must

as well as the registered shareholding.

in advance.

Stockholm, May 1987

# **UK COMPANY NEWS**

# helps lift ECC up to £43.1m

English China Clays, the clays and construction group which in January failed in its bid to take over Bryant Holdings, the housebuilder and property developer, boosted its pre-tax profits by more than 34 per cent in the six months to March 31 1987 thanks largely to an improved international performance.

The state of the s

£3240

Service and the service of the servi

gritish

/lohal!

4

On. turnover up from 5310.13m to 5341.54m, profits moved up from 532.08m to 543.14m.

interim payment of 5p (4.25p) and said that they intended to recommend a final dividend at least as large as last year's

8.25p.
Sir Alan Dalton, chairman, said that ECC's business remained brisk and he saw no reason why last December's prediction of another year of worthwhile progress should not be fulfilled. Trading was buoyant and progressively throughout the year new capital would be coming on street in would be coming on stream in virtually all areas of group

During the period the group had expanded its mineral interests by purchasing outright or increasing its investment in clay and carbonate businesses in New Zealand, the US, Japan

In the UK it acquired the assets of Salop Sand and Gravel. sir Alan said that the aggregate cost of these acquisitions and of the 29.9 per cent holding in Bryant was £85m, which had been largely financed by short-

term borrowing.

He added that as Bryant's He added that as Bryant's results for the year ending May 31 1987 would not be published until after ECC's year end, the figures for the six months did not include any profits attributable to ECC's holding in Bryant since it became a related company on January 13 of this year.

Within the past few days, Sir Alan said, ECC had also acquired a 49 per cent shareholding of its partners in Kaolin Australia, thereby making it a wholly-owned subsidiary.

operating profits were: inter-national, £31.16m (£24.44m); quarries, £8.99m (£6.99m); international drilling fluids,



took £14.9m (£11.8m). There were no extraordinary charges (£1.69m) and earnings worked through at 13.89p (9.94p).

English China Clay's interims were shead of expectations and the shares rose 16p to 458p on the back of this end a confident presentation to the City. Having lost its bid for Bryant, EEC appears to have changed changed tack. It has become In the UK it acquired the series of Salop Sand and Gravel. Sir Alan said that the aggregate cost of these acquisitions and of the 29.9 per cent holding in Bryant was £85m, which had been largely financed by shortterm borrowing.

He added that as Bryant's results for the year ending May 31 1987 would not be published until after ECC's year end, the figures for the six months did not include any profits attributable to ECC's holding in Bryant since it became a related company on January 18 of this year. Within the past few days, Sir Alan said, ECC had also acquired a 49 per cent shareholding of its partners in Kaolin Australia, thereby making it s wholly-owned subsidiary.

Divisional contributions to operating profits were: international, £31.16m (£24.44m); quarries, £8.99m (£6.99m); international drilling fluids, quarries, £8.99m (£6.99m); international drilling fluids, £1.03m (£1.75m); and construction, £5.3m (£2.52m).

Minority interests accounted for £61,000 (£114,000) and tax which is well up with events.

# Perpetual up 14% midway

Perpetual, the unit trust management group whose shares were the subject of a placing in March this year, reported a 14 launch of the European Growth per cent increase from £2.18m to £2.49m in pre-tax profits for the six months ended March 31 1987. As indicated, an interim divided of 0.8p has been declared.

Mr Martyn Arbib, chairman, said profits for the half year had benefited from higher management fees whilst administration of the successful launch of the European Growth Fund, which attracted £30.9m. Turnover in the period was down from £96.86m to £79.87m and the cost of sales fell from £94.33m to £77.46m. The gross profit on sales was £1.91m (£2.53m) while management fees whilst administration of £1.68m.

agement fees whilst administration costs had remained (£1.42m) for earnings per share static. As anticipated, sales of 6.7p (5.7p).

# International side Berkeley calls for £35m as profits advance to £8.5m

MR JIM FARRER, chairman of Berkeley Group, the Surrey-based housebuilder and property developer, yesterday reported a sharp increase in 1986-87 profits and at the same 1986-87 profits and at the same are ergected to begin the following day.

-the company raised £1 mat 85p a share when it joined the USM in July 1984, came back for more at 142p in March 1985, and again at 335p in May 1986.

The cash call, Berkeley's third in a little over two years, involves the issue of up to 10,371,274 new ordinary shares on a one-for-three basis at 350p.

on a one-tor-three basis at \$50p.
The proceeds will increase
the group's capital base, support continuing growth and provide greater flexibility to take
advantage of opportunities for
expansion without putting constraints upon organic growth.

In the short-term the pro-ceeds will be used to reduce borrowings and provide additional working capital. The issue has been under-

adding in a £517,000 associate's contribution (debit £34,000) and taking account of net interest charges of £528,000

interest charges of £528,000 (£702,000).

After tax of £3.03m (£1.5m) earnings worked through at 17.9p (9.1p). A final dividend of 1.65p raises the total to 2.5p (2.1p) on the enlarged capital.

The new shares to be issued will not rank for the final payment.

ment.

• comment

Rights issues are becoming an annual event at Berkeley Group

do. Forecast for this year have been upped to £15m. producing earnings of 23 p and a forward looking multiple of 17 on the shares at 405p.

reported a sharp increase in 1986-87 profits and at the same time called on shareholders for £35m net via a rights issue.

For the year to April 30 turnover advanced by 66 per cent to £52.9m and at the pre-tax level profits accelerated from £3.8m in £83.5m—in 1983 they totalled just £876,000.

Curremly, forward sales are at a record level and land for the group's quality homes continues to be readily available.

The cash call, Berkeley's and dealings in the new shares are erjected to begin the following day.

Turnover from residential building operations rose to £49.29m (£30.59m) and operations rose to £40.29m (£41.8m) — the division built to the bouyancy of the £100.000+ market in the £100.000+ market to the bouyancy of the £100.000+ market in the £100.000+ market 192p in March 192p in March 192p in March 1 houses are built on sites for three units or less. On these it will do a customised, quick turnround job for a select band of customers who are often willing to buy on the basis of an artist's impression. The £35m rights proceeds could if packaged with the company's highly rate shares provide the wherewithall for an acquisition(s) — certainly management at levels appears to be champing at the bit for more to do. Forecast for this year have

first nine months of this year

# Walker Greenbank in £8m deals

industrial group.

The largest purchase is that of Wilcomatic, a group which designs, markets and services car wash and truck washing plants. It was founded by Mr Monty Freedman in 1967; it has over 50 per cent of the UK car wash market and recently obtained a licence to market conveyor car licence to market conveyor car washes in this country.

Walker Greenbank is paying 56.9m for Wilcomstic in the form of 6.87m new shares, all of which will go to Mr Freedman, who will own 11 per cent of the enlarged equity. Wilcomatic made pre-tax profits of £770,000 on turnover of £9.2m in 1986.

on turnover of £9.2m in 1986.

Gimson, which Walker is buying for £630,000, manufactures domestic lifts and invalid handling equipment. Last year it incurred a pre-tax loss of £749,000 but since then has moved to a new factory and is back in profit this year.

Cincent will be combined.

Gimson will be combined with Tendercare, a company which supplies pressure ding for hospital beds and wheelchairs.

Half the consideration will be satisfied immediately, via the issue of 180,000 ordinary

# Management accounts for the

Walker Greenbank, the engineering group being built up of Wilcomatic adds a country-by ex-Lord Mayor of London, wide service network which can Sir Anthony Jolliffe, has be extended to lifts and be acquired three private companies for £8.2m as part of centre.

Gorseline, the third purchase manufactures high density

shares and £131,000 cash, and half in May 1988. There is also an offer worth £50,000 for the preference shares, and a potential further consideration of £160,000 dependent on the size of Gimson's pension surplus and the extent of its tax losses. Walker already has extensive lift interests which will fit in

# indicate pre-tax profits of this year indicate pre-tax profits of £150,000 on turnover of £680,000, and Walker is buying the group for £690,000. That will be satisfied by the issue of 187,000 convertible preference, 245,000 ordinary shares and £160,000 cash. manufactures high density polyethylene pipe and provides tracing and fault detection services for underground pipe-Another

lear of recoru

achlevemen

# Thames TV profits up 69%

said the result reflected a solid improvement in Thames's result reflected a core business, the operation of exchequer the IBA's weekday contract in (£17.27m).

Thames Television, the UK's largest commercial television. The success of Thames' sales company, produced a 69 per cent improvement in pre-tax profits to £24.75m in its first full year figures since its filotation in June 1986.

Mr Hugh Dundas, chairman, said the result reflected a Turnover rose from £190.91m

The success of Thames' sales to UK earnings resulted in a four-department in increasing the company's shares of network fold rise in the exchequer levy from £2.65m to £12.5m.

Net advertising revenue was £191.1m, a 23 per cent increase over last year. This represented 15.8 per cent of network advertising revenue—up from 15 per

Turnover rose from £190.91m to £222.22m, and profit before exchequer levy was £37.25m

# **Mid-Sussex Water**

The second call of £49 per cent on the issue of £3m Mid-Sussex 10 per cent Debenture 2013/17 is payable by 7th January, 1988

and not by 31st December, 1987 as announced yesterday.

> To the Holders of WARRANTS

to subscribe for shares of common stock of

SANKYO ALUMINIUM INDUSTRY CO., LTD. (Issued in conjunction with an issue by Sankyo Aluminium Industry Co., Ltd. (the "Company") of U.S. \$40,000,000

3%% Guaranteed Notes Due 1991)

NOTICE OF FREE DISTRIBUTION OF SHARES AND ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4(A) of the Instrument dated December 2, 1986 under which the above described Warrants were issued, you are hereby notified that a free distribution of Shares of our Company at the rate of 0.1 share for each one share held will be made to shareholders of record as of May 31, 1987.

As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Warrants from 645.00 Japanese Yen to 588.40 Japanese Yen effective as of June 1, 1987.

The Industrial Bank of Japan Trust Company on behalf of Sankyo Aluminium Industry Co., Ltd.

Dated: May 15, 1987

ising revenue—up from 15 per cent in 1985. In January, Thames took a 5 per cent stake in Société Européene de Sateline (SS). the company behind Astra, a private sector European satellite service based in Luxembourg. The move cost £3.7m and Thames has an option until June to take a further 5 per

cent.
Tax took £8.82m, compared wth £6.35m, and earnings per share worked out at 33.2p, up from 17.4p. At March 31, the group had a cash balance of £15m. A recommended final dividend of 8p markes 12p for the year. the year.

£46.1 million.

27.47 pence.

10.10 pence per share.

remarkable results.

future expansion.

year of progress.

of building products and consumer

The strengthening of the Board and

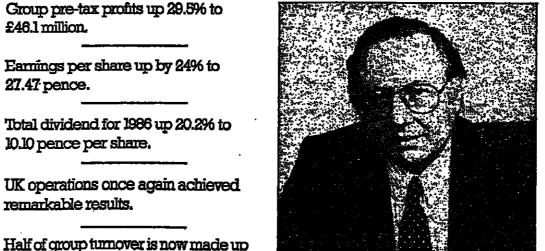
re-organisation of the group into three

major divisions will assist considerably

Confidence that 1987 will be another

comment

After its offer for sale was 26 times oversubscribed, expectations for Thames TV's results obviously pretty high; even a 91 per cent earnings per share increase prompted a 34p price fall to 485p yesterday. The shares have come a long way from the offer price of 190p, so investors can hardly blamed for profit-taking there are other stocks in the sector with less demanding P/Es. Advertising revenue this year recovered in April after a disastrous March but even the most optimistic analysts are only expecting a rise of 12 per cent, just over half last year's increase. Overseas sales, the other main source of revenue, are declining as no series has yet emerged to replace the popularity of Benny Hill. With plans afoot to restructure the IBA network. Thames must be a likely loser of a shift to the smaller companies or the independents and although some progress has been made in reducing tabour costs and burden of fixed costs remains high. Assuming pre-tax profits of £28m this year, the prospec-tive P/E is 13 — that looks quite high enough.



"I am delighted to report that 1986 was yet another year of record achievement for Glynwed. Since 1982 the pre-tax profits of the group have grown by 3.4 times whilst earnings per share have grown by 2.4 times."

Gareth Davies Chairman & Chief Executive

	1986 £million	1985 £milion
Tumover	478-9	464 · 1
Operating profit	48-8	39-6
Profit before taxation	<b>4</b> 5·1	35 · 6
Earnings for the period	29-9	23 - 2
Earnings per ordinary share	27-47p	22 - 15p
Dividends per ordinary share	10-10p	8-40p



If you would like a copy of the 1986 Report & Accounts, write to the Group Secretary, Glynwed International plc, Headland House, New Coventry Road, Sheldon,

# UNITED STATES DISTRICT COURT FOR SOUTHERN DISTRICT OF NEW YORK

Alan C. Rievman, et al., Plaintiffs, against Burlington Northern Railroad Company, et al., Defendants

85 Civ. 3964 (RLC) SUMMARY NOTICE OF PROPOSED SETTLEMENT AND OF SETTLEMENT HEARING

A \$35.500,000 PROPOSED SETTLEMENT OF THIS CLASS ACTION HAS BEEN REACHED UNDER WHICH, IF APPROVED BY THE COURT, CLASS MEMBERS WHO HOLD 4% BONDS WILL BE PAID APPROXIMATELY \$14.75 FOR EACH \$100 FACE AMOUNT HELD, PLUS INTEREST, AND CLASS MEMBERS WHO HOLD 3% BONDS WILL BE PAID APPROXIMATELY \$45.625 FOR EACH \$100 FACE AMOUNT HELD, PLUS INTEREST, AS HEREIN PROVIDED, AND CERTAIN OF THE COLLATERAL SECURING REPAYMENT OF THE BONDS WILL BE RELEASED. THE PAYMENTS UNDER THE PROPOSED SETTLEMENT WILL BE IN ADDITION TO ALL PAYMENTS OF INTEREST AND PRINCIPAL PAYABLE TO THE HOLDERS OF THE BONDS. YOU MAY OBTAIN A COPY OF THE COMPLETE NOTICE OF SETTLEMENT BY WRITING TO STEPHEN LOWEY, ESQ., AT THE ADDRESS INDICATED BELOW.

1. The shave-entitled action was brought in the United States District Court for the

LITIGATION

1. The above-entitled action was brought in the United States District Court for the Southern District of New York by plaintiffs on behalf of holders of two series of Northern Pacific Railway bonds, the 4% Prior Lien Bonds due January 1, 1997 ("4% Bonds"), and the 3% General Lien Bonds due January 1, 2047 ("3% Bonds") (collectively the "Bonds"), of which defendant Burlington Northern Railroad Company ("Burlington Northern") is now the obligor and defendants Bankers Trust Company ("Burlington Northern") and Citibank, N.A. ("Citibank") (collectively the "Trustees"), are the respective trustees. Plaintiffs challenged the legality of a plan announced by Burlington Northern on April 22, 1985, whereby the Trustees agreed to release from the liens of the mortgages securing the Bonds certain valuable non-railroad assets ("Resource Properties") that were pledged as a portion of the collateral securing the Bonds, by depositing with the Trustees sufficient United States Government securities to guarantee all payments of interest and principal on the Bonds as they came due (the "Deposit Plan"). The Deposit Plan was coupled with a tender offer whereby Burlington Northern proposed to purchase all outstanding Bonds at \$53.50 per \$100 face amount for the 4% Bonds and \$39.00 per \$100 face amount for the 3% Bonds (the "Tender Offer").

THE PROPOSED SETTLEMENT

1. The parties and their attorneys have reached an agreement that, subject to judicial approval, would settle all aspects of this controversy. It is anticipated that under the proposed settlement, holders of the 4% Bonds will receive approximately \$14.75 per \$100 Bond plus interest, and holders of the 3% Bonds will receive approximately \$45.625 per \$100 Bond plus interest. \$100 Bond plus interest.

23. The Court has certified a non-opt-out plaintiff class pursuant to Rules 28(b)(1)(A) and 23(b)(2) of the Federal Rules of Civil Procedure consisting of all holders of the Bonds and of coupons detached from the Bonds and all beneficial owners of such Bonds and coupons, and their successors in interest, but excluding Burlington Northern (the

"Class").

3. Burlington Northern has deposited a Settlement Fund of \$35,500,000 with Morgan Guaranty Trust Company of New York as Escrow Agent. If the settlement is approved, the Settlement Fund (including accrued interest) less amounts approved by the Court for plaintiffs' counsel fees and other litigation expenses, will be distributed to holders of Bonds and holders of coupons detached from the Bonds that have not matured on the date payment is first made ("Coupons"). Payments shall be made only to holders of record of registered Bonds and to bearers of bearer Bonds and Coupons, upon physical presentation of the Bonds and Coupons to the Escrow Agent. Beneficial owners of Bonds and Coupons to the Escrow Agent. Beneficial owners of Bonds and Coupons to the Escrow Agent Beneficial owners of Bonds and to the bearers of bearer Bonds and Coupons. Payment to the record holders of registered Bonds and to the bearers of bearer Bonds and Coupons. Payments will be subject to all applicable legal requirements for tax withholding in effect at the time of payment.

4. If the settlement is effected, it is anticipated that the trading prices of the Bonds will

4. If the settlement is effected, it is anticipated that the trading prices of the Bonds will decline substantially because they will no longer reflect the speculative premiums at which the Bonds currently trade. The cash payments to be received by the members of the Class under the settlement, at the time of its negotiation, were projected by plaintiffs' counsel and their expert to exceed any decline in the market value of the Bonds due to loss of the speculative premium. Because of the volatility of the bond market, due to changing interest rates among other things, no assurance can be given as to the market value of the Bonds at the time of distribution of the Settlement Fund.

5. On the date payment is first made to holders of Bonds and Coupons, the Resource Properties shall be released forever from the liens of the mortgages securing the Bonds. Burlington Northern shall thereafter be entitled to retain and use proceeds derived in any manner from the Resource Properties free and clear of any and all restrictions contained in the mortgages securing the Bonds. In all other respects, the terms and conditions of the Bonds and mortgages will remain in full force and effect, all assets, other than the Resource Properties, pledged to secure payments due on the Bonds will continue to secure the Bonds, and Burlington Northern will continue to be liable for the timely payment of interest and principal.

1. A hearing will be held before the Court in Room 518 of the United States Court House, Foley Square, New York, New York 10005, on July 15, 1987, at 10.00 a.m. (the "Settlement Hearing") to determine whether (i) the Stipulation and Agreement of Settlement settling all claims asserted in this action is fair, reasonable and adequate and should be approved by the Court; (ii) an Order and Final Judgment should be entered dismissing this action as to all defendants with prejudice as against the named plaintiffs and all members of the plaintiff Class as certified by the Court; and (iii) if the Court approves the settlement and enters the Order and Final Judgment, an application by plaintiffs' attorneys for reasonable attorneys' fees and other litigation expenses in connection with this action should be approved. The Court has reserved the right to adjourn the Settlement Hearing without further notice of any kind.

adjourn the Settlement Hearing without further notice of any kind.

2. If you consider the proposed settlement acceptable, you need not appear at the Settlement Hearing and your interests will be represented by the attorneys for plaintiffs. Any person or entity who is a member of the Class may appear at the Settlement Hearing and show cause, if such member has any, why the proposed settlement or the request for attorneys' fees and expenses should not be approved and this action not be dismissed with prejudice. No person or entity shall be heard at the Settlement Hearing unless a Notice of Intention to Appear and grounds for objection, in writing, together with any supporting papers which such Class member may choose to submit, are filed with the Court, at least fourteen days before the Hearing, showing due proof of service, by first class mail on the foilowing:

Stephen Lowey, Esq. LOWEY, DANNENBERG & KNAPP, P.C. 747 Third Avenue New York, N.Y. 10017 Attorneys for Plaintiffs Robert D. Joffe, Esq.
CRAVATH, SWAINE & MOORE
One Chase Manhattan Plaza
New York, N.Y. 10005
Attorneys for Defendant Burlington Northern David Mark, Esq. SHEARMAN & STERLING 53 Wall Street New York, N.Y. 10005 Attorneys for Defendant Citibank Jeffrey Barist, Esq.
WHITE & CASE
1155 Avenue of the Americas
New York, N.Y. 10036
Attorneys for Defendant Bankers Trust

Attorneys for Defendant Sankers Trust

3. Whether or not you participate in the Settlement Hearing, notice of the date payment is to be made ("Final Notice") will be given if the Court approves the settlement. At that time, notice will also be given of procedures for presentation of Bonds and Coupons for payment. Final Notice will be given to holders of registered Bonds by first class mail. Notice will also be published in the Wall Street Journal and the Financial Times of London. If you wish to receive the Final Notice and neither are a holder of a registered Bond nor have written to Mr Lowey to receive the complete Notice of Settlement, please send a letter indicating your name, address and number of Bonds or Coupons held to Stephen Lowey, Esq., at the above address. DO NOT SEND ANY BONDS OR COUPONS TO MR LOWEY, TO THE ESCROW AGENT OR TO THE TRUSTEES AT THIS TIME.

4. The Court has ordered that, pending its determination of whether the proposed settle-

4 The Court has ordered that, pending its determination of whether the proposed settlement should be finally approved, plaintiffs and all members of the plaintiff Class, or any of them, either directly, representatively or in any capacity, are enjoined from commencing or prosecuting in this or any other Court any action asserting any claims in any way relating to or arising out of or in connection with any of the transactions, matters or occurrences or series of transactions, matters or occurrences covered by the complaint herein or the proposed settlement.

If the Court enters the Order and Final Judgment contemplated by the Stipulation and Agreement of Settlement at or after the Settlement Hearing, all members of the plaintiff class would be conclusively and forever bound.

BY ORDER OF THE COURT Raymond F. Burghardt Clerk of the Court United States District Court Southern District of New York

# Moscow Narodny Bank Limited

Moscow Narodny Bank Limited announces that Mr D. J. Penzin

has retired as Chairman and Managing Director of the Bank upon his return to Moscow, having completed five years in London in this position.

Mr A. S. Maslov has been appointed Chairman and Managing Director with effect from 14th May, 1987

81 King William Street, London EC4P 4]S

# **UK COMPANY NEWS**

# Saatchi doubles midway | Gerrard advances profit to over £56m

year.
Although the results exceeded
City forecasts, Saatchi's shares
fell 30p to close at 624p. This
weakness was attributed to continuing uncertainty about the
future operating roles of the
DFS Dorland and Ted Bates
agencies within the Saatchi

City forecasts, Saatchi's shares fell 30p to close at 624p. This weakness was attributed to continuing uncertainty about the future operating roles of the DFS Dorland and Ted Bates agencies within the Saatchi group.

Mr Simon Mellor, Saatchi director, said yesterday that such questions were always on the company's agenda, but that no decision, for example, to merge activities would be taken

the company's agenda, but that no decision, for example, to merge activities would be taken unless all parties were comfortable with the outcome.

Mr Maurice Saatchi, chairman, did not, however, address the issue directly in his interim statement.

The half-year was the first is f10m (£3.8m).

Communications, including advertising and marketing cent of revenue and 87 per cent of profit. The balance came from consulting services, in which Saatchl saw a strong and growing worldwide market.

The group was "continuing"

Saatchi and Saatchi, the full reporting period after to assess a wide range of opportunity operations which is acquisitions made in 1985-86. These included the US-based communications, database, interim pre-tax profits of £56.2m, more than double the £25.9m achieved in the first half of last year.

Although the results exceeded City forecasts, Saatchi's shares doubled revenue to £367m in the six months to March 31 Margins fell 30p to close at £24p. This

engaged Saatch for a full range of business services. These in-cluded contracts from Mars. Uniroyal, Renault, ICI, Allied Lyons, the US Mint, Campbell's Soup, RJR/Nabisco, Proctor and Gamble, and Johnson and

"We have seen the transformation in the size of the company and its capacity to thrive in a new age of global marketing," Mr Saatchi said. After the 23rd successive

predicted another record for the full year over the £70m of 1985-86.

A number of new clients had engaged Saatchi for a full range

advance in six-month profits, he

# 11% to £11.2m

BY PHILIP COGGAN

AFTER AN eventful year, in which it became one of 27 gits market-makers. Gerrard & National Holdings, the UK's largest discount house, yesterday announced a 10.9 per cent rise in after-tax profits and a 9.7 rise in after-tax profits and a 9.7 per cent increase in the final dividend for the year ended April 5, 1987.

The gits market weakened for much of the first half of the group's financial year and Gerrard announced it made for much of the first half of the group's financial year and Gerrard announced it made small interim profits so the news of an increase at the full-year stage cheered the market.

Profits were £11.22m (£10.12m) and there was a transfer to inner reserves of £5.16m resulting from the sale of G & N gilts market—anything but a group has acquired to the ups and downs of the gilts market—anything but a group has acquired a 75 per cent stake in Vivian Gray, the stockbroker, as part of its diversification plans but it remains extremely vulnerable to the ups and downs of the gilts market—anything but a grow has a creased the group has acquired a 75 per cent stake in Vivian Gray, the stockbroker, as part of its diversification plans but it remains extremely vulnerable to the ups and downs of the gilts market—anything but a 25.3 per cent is below several others in the sector, the share-holders are probably watching the opinion polls and sleeping well.

#### INSURANCE RESULTS

# N. American rise helps Royal Insurance recovery

DESPITE SEVERE winter weather in the UK, costing 558m in adverse weather claims, Royal Insurance continues to forge ahead in its profit recov.

Winters in the UK are getting worse and each successive

Pre-tax profits in the first quarter were nearly two-thirds higher at £47.8m against £29.4m, thanks to continued improve-ment in the US and Canada.

However, the higher corporate tax rates in North America resulted in the tax charge tripling from £5.1m to £16.2m and net profit rising by 30 per cent from £24m to £31.2m. The earnings per share climbed from 10.2p to 13.2p. Almost everything in the US,

Royal's largest operating terri-tory, is favourable to the group at present. Pre-tax profits rose from £27.9m to £41.2m on written premiums of \$526m, an increase of nearly 12 per cent.

The statutory operating ratio dropped from 108.6 per cent to 101.6 per cent, with the claims ratio coming down over eight a p/e of 7 on prospective earn-percentage points.

Canadian business showed a values the recovery.

Winters in the UK are getting worse and each successive winter is costing insurance companies higher and higher claims payments on adverse weather claims. The snows in January and the hurricane force winds in March cost Royal Insurance £58m—double that of 1986, the previous high. Since Royal does not insure these exceptional losses, it is fortunate for the group that everything is coming right in North America. Rumours of the start of a rate cutting war in the US seem to be premature and not likely to occur this year. The trend in the first quarter of pre-tax profits up by two thirds, if continued for the rest of the year, together with a mild Autumn in the UK, should see pre-tax profits for the year up by a half to £460m. The share price of 895p, down 24p, with

# GA's sharp rise to £22.4m

General Accdemt reported a first quarter pre-tax profit of f22.4m against only £4.7m last year, despite exceptionally high weather losses in the UK of £40m.

Attributable profits more than doubled from £8.1m to the problem territory.

the adverse weather claims and In the UK, GA saw a slight while the signs in the first

In contrast, underwriting composites more involved in losses in the US were down commercial lines. If the weather

from £26m to £19.7m on pre-miums up by 16.5 per cent. Improvement was in all lines except private auto which showed a marginal decline. Canada showed an improve-earnings per share of 80p and ment of £8.8m to produce a fully reflects the year's earnings profit of £3.9m for the quarter. potential.

In the UK, GA saw a slight approvement in its large motor account with losses reduced from £8.6m to £5.7m. But th's was offset by these heavy weather losses causing the property accounts to have underwriting losses of £26m against £19m. Total underwriting losses elimbed from £27m to £34.9m.

In contrast, underwriting while the signs in the first quarter are that losses on the UK motor account are coming down as the high rate increases start to bite, there is still a long way to go. However, the rest of the year should see the US with its high personal lines exposure will not show the same spectacular results as the first quarter are that losses on the UK motor account are coming down as the high rate increases start to bite, there is still a long way to go. However, the rest of the year should see the US with its high personal lines exposure will not show the same spectacular results as the first quarter are that losses on the UK motor account are coming down as the high rate increases start to bite, there is still a long way to go. However, the rest of the year should see the US with its high personal lines exposure will not show the same spectacular results as the property accounts to have underwriting losses of £26m against £19m. Total underwriting losses climbed from the first quarter are that losses on the UK motor account are coming to the property accounts to have underwriting losses causing the year should see the US and the property accounts to have underwriting losses causing the way to go. However, the rest of the year should see the US and the property accounts to have underwriting losses causing the losses causing the losses causing the way to go. However, the r is kind in the UK, GA can expect pre-tax profits up by three quarters to over £200m.
The price of 940p, down 8p,
gives a p/e of 12 on forecast

# I. J. Dewhirst

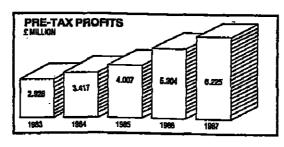
Holdings p.l.c.

Highlights of another record year

		_
Summary of Results Year ended 16th January	1987 £m	1986 £m
Turnover	69.103	57.569
Profit before Tax	6.225	5.304
Profit after Tax	4.108	3.498
Earnings per share	5.33p	4.74p
Dividends per share	1.03p	0.92p

The Chairman, Mr. Alistair J. Dewhirst, CBE, reports another successful year for the Group:

- Pre-tax profit up by 17.4% and sales by 20%
- Final dividend of 0.77p per share proposed
- 1 for 5 scrip issue proposed
- Improved efficiency, productivity and quality all vital factors to success



I. J. Dewhirst Holdings p.l.c., Duwear House, Westgate, Driffield, North Humberside, YO25 7TH.

# General Accident

# THREE-MONTHS'RESULTS

The results for the three months ended 31st March 1987, estimated and unaudited, are compared below with those for the similar period in 1986, which are restated at 31st December 1986 rates of exchange; also shown are the actual results for the full year 1986.

It must be emphasised that the results for an interim period do not usually provide a reliable indication of those for the full

year.			
<del></del>	3 months	3 months	1986
The second secon	to 31.3.87	to 31.3.86	Year_
	Estimate	Estimate	Actual
	£ millions · ·	£ millions	£millions
Premium Imome—General Business ;	557.£); 🕶	∵ <b>496,7</b> · · - <sub>'</sub> .	2,184.8
. Long Term Business	52.1	- 48.7	203.1
CONTROL OF THE CONTRO	609.2	543.4	2,387.9
Investment Income (see Note) Underwriting General Business	73.7	66.5	297.8
Result	(54.0)	(64.3)	(180.9)
Long Term Business profits	3.5	2.9	10.4
TYING TEXTIL DISTURSS browns			
	23.2	5.1	127.3
Interest on Loans	0.8	0.4	2.2
UK Employee Profit Sharing Scheme			1.9
O10 21 10 1 10 1 10 1 10 1 10 1 10 1 10	-		
Profit before Taxation	22.4	4.7	123.2
Taxation—UK and Oversess	1.6	(43)	10.1
Profit after Taxation	20.8	9.0	113.1
Minority Interest and Preference			
Dividend	0.8	0.9	2.3
Net Profit attributable to Share-		_	_
holders	19. <del>9</del>	8.1	110,8
			كرمية المستجيد
Principal exchange rates used in	•		
translating overseas results			
U.S.A.	1.61	1.48	1.48
Canada	2.10	2.05	2.05
Note: Investment income excludes £	2.9m (1988	£2.8m) re	mresenting
amortisation of U.S. deep discou accounting conventions would be	nt bonds wh	ich under	the U.S.A.

ANALYSIS BY TERRITORY OF GENERAL BUSINESS PREMIUM INCOME AND UNDERWRITING RESULT

(before internal tems	шансеј			
	3 months	to 31.3.87	3 months	
U.K	Premium Income £m 189.1 200.5 43.3 64.6 8.3	Under- writing Result £m (34.9) (19.7) (2.8) 3.9 (1.0)	Premium Income £m 169.5 187.2 38.0 54.3 7.8	Under- writing Result £m (27.0) (26.0) (5.7) (4.9) (0.5)
London Market business	51,3	0.5	39.9	(0.2)
	557.1	(54.0)	496.7	(64.3)

Net written premiums and investment income increased in sterling terms by 12.1% and 10.9% respectively. Adjusted to exclude the effects of currency fluctuations, the increases were 16.5% and 17.3% respectively.

In the United Kingdom, net written premiums were £189.1m (1986 £169.5m) and there was an underwriting loss of £30.9m (1986 £27.0m loss) after a recovery of £4.0m under internal reinsurance arrangements (1986 ml). The Motor account benefited from 1986 rate increases and reported a loss of £5.7m benefited from 1986 rate increases and reported a loss of £5.7m (1986 £8.6m loss). Weather-related claims in the quarter costing £40m gross (1986 £20m gross) were exceptionally high even in relation to recent experience and impacted particularly upon the Homeowners and Commercial Property accounts with losses for the quarter of £19.6m and £6.2m respectively (1986 £13.7m loss and £5.3m loss respectively). Improvement in the Liability classes has been maintained.

In the United States, net written premiums were \$322.8m (1986 \$277.1m) and the operating ratio was 109.47% as compared with 113.97% for the same period in 1986. On the United Kingdom accounting basis the underwriting loss was £19.7m (1986 £26.0m loss). With the exception of Private Auto all lines showed improvement on 1986 experience.

Elsewhere there was an aggregate underwriting profit of £0.6m (1986 £11.3m loss). With the exception of Australia, affected by the Vanuatu Cyclone, and Netherlands, other territories performed well with a particularly good result from Canada. New annual premiums for life business in the United Kingdom for the three months were £8.6m (1986 £5.8m) and single premiums £7.6m (1986 £5.1m).

# General Accident Fire & Life Assurance Corporation plc

World Headquarters: Pitheavlis, Perth, Scotland PH2 ONH.

rose by £400,000 to £1.47m. Performance of the paper mill was particularly good. The air conditioning, filtra-

tion and purification side returned a loss of £1,000 (profit

Earnings for the period only rose to 9.6p (9.5p) after an almost doubled tax charge of

is pushed up to 2.5p net, from

There were few surprises for the market in yesterday's Asso-ciated results. If anything they

were a little down on expecta

tions, but not enough for ana-

lysts to change their full year predictions of a 35 per cent growth in pre-tax earnings to around 7m. Associated has carved out some impressive

niches for itself, especially in foil stamping where it ranks No 2 in the world. It is also the developer of a new method

of coating paper using electron beam technology. The market's

profit forecasts, and allowing for a 34 per cent tax change

operation, the object of the

recent Tern acquisition, saw sales rise to £5.52m for pre-tax profits of £313,000.

The base of the automotive division had been broadened

with the expansion and addition of a number of franchises. The

food division was now centred in Durham and the acquisition of Everfresh and Salop Deep

Freeze had concentrated its development in meat processing

Avesco, television services group which joined the Unlisted Securities Market last Decem-

ber, announced yesterday that it was talking to a private com-pany about possibly acquiring it. Although further details may

and freezer centres.

Avesco in talks

£348,000),

comment

# Acquisitions help API to show 32% profit growth

WITH MAJOR contributions from ecquisitions. Associated Paper Industries has seen a pretax profit surge of 32 per cent in the half year ended March 28

Turnover went shead 25 per cent to £42.28m (£33.88m) and operating profit rose 23 per cent to £5.12m (£4.17m). The pre-tax balance came to £3.04m

On prospects, the directors stated that the current level of business and order inflow led to optimism about the outcome for the full year, the 1985-86 total was £5m.

The financial position re-mained strong with gearing showing a steady improvement.
The continuing high capital
investment would be "comfortably funded" from the group's resources and existing

First half results included Dri-Print Foils and Tenza, acquired in November 1985 and July 1986 respectively. They made a major contribution, the directors reported: after a slow start to the year papermaking surged by nearly for a 34 per cent tax change the results of the papermaking £1m to £2.5m, while stamping gives a p/e of 13.7, a fair rating.

Associated

in profit

**Energy stays** 

engaged in building and en-

vironmental maintenance ser-

vices, and catering distribution.

Its turnover for the half year

came to £1.48m (£1.59m) and

There were extraordinary

The directors said that suit

able acquisitions which would

charges of £23,000 (£8,000).



Charles Rawlinson, chairman of APL

Associated Energy Services continued into the half year ended March 3I 1987, when the company returned a pre-tax profit of £41,000.

In the improving trend at the improving to seek an early introduction to the Unlisted Securities Market. The announcement was made yesterday at the time of reporting record results with pre-tax profits almost trebled.

Mr Mike Keen, chairman, of the

That compared with a loss of £64,000, which was turned into a profit of £6,000 by the end of the 1985-86 year.

—Energy is a USM company

That compared with a loss of Mr Mike Keen, chairman, said the move was part of the next stage of the development of the company, which came to the Third Market in January. It is also intended to float the Percellent toytile constiller.

came to £1.48m (£1.59m) and operating profit to £91,000 (loss £18,000). Earnings were 0.59p per 5p share (deficit 0.92p).

There were extraordinary to £19,54m (£8.51m) for pre-tax profits of £742,000, against £274,000. Earnings per 10p share came out at 3.54p (£67p) and the directors are proposing an indicated £5.51m.

and converting and stamping foll divisions showed a marked impovement in the second

At the trading profit level,

Propeller textile operation on the Third Market.

In the year to the end of January 1987 turnover more than doubled to £19.54m

initial final payment of 0.4p.

pany's activities and enable its existing businesses to be expanded were being examined. He was a statement because of the recent organisation costs within the rise in its share price, up 7p to motor division.

So yesterday.

**Corton Beach plans USM** 

Corton Beach, the acquisitive sent year had started well with

mini-conglomerate, is planning profits and turnover well alread to seek an early introduction to The Propeller menswear

move as profits trebled

# Octopus to pay £4.8m for Mitchell Beazley

Octopus Publishing Group yesterday announced the purchase of Mitchell Beazley, the privately owned illustrated-book publisher, for £4.85m in shares as a precursor to further acquisitions both in the UK and overseas.

Mitchell Beazley is best known for its illustrated books on wine, travel, gardening and interiors. In its last financial year, to November 30 1986, it produced pre-tax profits of £321,900 on turn-over of £7m.

Mr Paul Hamlyn, chairman of Octopus, said that it had "an excellent booklist which we have envied for a long

White:

Initially Octopus will acquire
55 per cent of Mitchell
Beazley's share capital, but intends eventually to purchase the rump of the equity. It has funded the acquisition with the issue of 644,761 new shares, 30 per cent of which has been placed for the vendors.

Once the acquisition is com-pleted, Mitchell Beazley will function as an autonomous subsidiary of Octopus. But Mr Hamlyn envisages using the parent group's marketing and international resources for the benefit of the new sub-

sidiary. Octopus has embarked upon an active acquisition strategy in recent years, culminating in the takeover of Heinemann from BTR in 1985. The group still has a substantial cash

John Foster back in profit and sees further improvement

John Foster & Son, Bradfordbased spinner and cloth manufacturer, returned to the black in the second half to report tax-able profits of £507,000 against £1.13m, and directors were optimistic about the present year with a much higher level of

East and Hong Kong and stock reductions by its main merchant customers. Directors said that by strengthening sales to better class retailers and clothiers in the UK and the rest of the EEC the lost markets were being replaced. The benefits were expected in the present year. Earnings per share came out at 4.3p (11.4p) and the directors

are recommending an unchanged final dividend of 2.5p for a maintained total of 3.5p.

In the first half the company incurred loses of \$467,000 com pared with a profit of £51,000. The second six months resulted in a pre-tax profit of £974,000 (£1.08m). Finance charges were lower at £515,000 (£723,000) and tax was little changed at £122,000 (£123,000). There were In the year to February 27 extraordinary debits this time 1987 turnover fell from £24.33m of £180.000, being the terminato £20.18m mainly because of tion of an interest in a lease reduced demand in the Middle commitment and the net closure costs of a factory.

> Directors said the second half saw much improved activity in both spinning and weaving. However, because of the normal time lag between production and invoiced sales. that would not be reflected in turnover until the first half of the present year.

They added that the order book for 1987 was healthy and expectations of new orders

# Eglington I£6m in the red

Eglington Oil and Gas, an Irish in February. exploration company traded on the Third Market, yesterday announced increased trading losses for 1986 and a rights issue to raise I£1.5m (£1.35m). The trading deficit widened from £226,235 to £250,189 before taking account of interest income of £76,391

After tax credits of £8,187 (£64,522) the loss worked through at £6.53m against pre-vious profits of £9.642, equal to losses per share of 26p (nil). The rights issue is of 6,535,910 new shares at 25p on a one-for-eight basis. In addition, for every 10 shares sub-(£171,355) and an exceptional scribed there will be a warrant provision of £6.36m relating attached entitling shareholders largely to the write-off of the Colombian prospects, announced 5p, but not until July 1988.

Chillington's second half pick-up

which changed its name from and the recently established or and Plantation and General Invest- acquired operations came into (299 ments in March 1986 following profit. The UK engineering the acquisition of the balance of Anglo Indonesian Corporation, yesterday announced pretax profits up from £1.76m to good results from those selling into the builders merchants and slight improvement from £1.08m to £1.1m at half way.

The directors said that the improvement in profits forcests whole for 1987 was encourage.

There were extraordinary pany about possibly acquiring credits of £346,000 (£30,000), it. Although further details may being the profit on the sale of not be known for some weeks, the company's investment in Avesco said it had made the park Hall Leisure and restatement because of the recent across almost all the group's

The Chillington Corporation, overseas engineering businesses Tax took £563,000 (£491,000) companies generally also con-

The directors concluded that \$69,000). At \$235,000 (debit to \$100,000). At \$100,000 (debit to \$100,000). At \$100,000 (debit to \$100,000) at \$100,000 (debit to the outlook for the group as a whole for 1987 was encourag-

ing. Turnover last year rose from activities.

There was a particularly stated to exclude turnover of strong performance from the investment activities of £1.61m.

and minorities £549,000 (299,000). There was a debit of £138,00 (nil) for monetary working capital adjustment—a provision for the effect of inflation of real working capital of the Brazilian subsidiaries—and ex-traordinary items amounted to

As intimated the dividend is a total of 7p (5.2p) with a proposed final of 4.5p. A one-for-10 scrip issue in ordinary and deferred ordinary is also proposed

APPOINTMENTS

# Vauxhall Motors operations chief

tor, operations, VAUXHALL MOTORS. He succeeds Mr Edward P. Naegeli, formerly director of passenger car manufacturing, who is retiring. Mr Hendry joined General Motors in 1964 and held a wide range of finance positions in the US and Canada. In 1982 he became assistant divisional comptroller for GM assembly division and took up a key executive assignment with NUMMI in California in 1984. His last appointment was executive director, organisation studies—GME-PC, based in Zurich.

ANGLIA OILS has appointed Mr Phil Mountjoy as commercial director and Mr Ian Butcher as financial director. Mr Mountjoy was commercial manager and Mr Butcher financial controller and ompany secretary.

Mr S. J. Leary, managing director of A & G Security Electronics, a subsidiary of Halma, has been appointed to the divisional board of the HALMA GROUP's security and office technology division.

Mr Russell Miller has been appointed director of legal affairs at TI GROUP. He joins from Bowater Industries where he was company secretary.

LAND SECURITIES has appointed Mr Harold Ivor Connick, as a non-executive director. He has been senior partner of Thornton Lynne & Lawson since 1954. Mr William Mathieson becomes an executive director. becomes an executive director. He was appointed a director of Ravenseft Properties in 1971 and Land Securities (Managament) in 1976. Mr Ian James Henderson is made an executive direc-tor. He was appointed a director of Land Securities (Managa-ment) in 1979.

Mr James Tough has been appointed manager of COUTTS & CO'S representative office at Lloyd's. He has taken over from Mr Warwick Newbury, who has become deputy head of the bank's financial services division.

Mr Michael J. Salmon has been promoted to an executive director at the SCANDINAVIA BANK GROUP. His a director in the trade finance and corporate banking department

Mr I. Anderson and Mr J. O. Chian have been appointed directors of LONDON INSUR-ANCE BROKERS, a company jointly owned by C. T. Bowring and Co, and Minet International Indumnity

Mr Eric Trodd has been

Mr Robert W. Hendry has its automated manufacturing been appointed executive director, operations, VAUXHALL Taylor retains his post as chairman of Haden Automation, but man of Haden Automation, but has relinquished his part-time post as managing director. As managing director of the Haden Group's European companies, he will concentrate his time developing new business opportunities created by the group's growth in automated manufacturing execute throughout the turing systems throughout the UK and Europe. Mr Peter Part has been appointed as sales and marketing director.

Other changes include the appointment of Mr Mike Capey as financial director, in addition

to his directorship responsibilities at Haden Technology. Mr Mike Curtls's responsibilities as commercial director have been expanded to include sales proposals, tenders and project

management.

Mr John F. Buchan is return mr John F. Buchan is return-ing to INTERSPACE as sales director following a 12-month stay with a competitor. He will have overall responsibility for sales and marketing.

DALGETY foods division has made the following changes from June 1 at Homepride Foods: Mr Andrew Gardiner, commercial director; Mr Stephen von Speyr, marketing director; Mr Bob Jones, sales and distribution director; and Mr Jeff Batty, financial controller. At Spillers Petfood business Mr Peter Ewing becomes distribution director and Mr Mike Donegan personnel director.

Mr Andrew Dare has been appointed to the board of UNIGATE. He joined in 1971 and was appointed managing director of St Ivel in 1979.

Mr Rhoderick Martin Swire and Mr Malcolm Weightman have been appointed directors of G.T. MANAGEMENT.

Britannia Airways chairman and chief executive, Mr Derek appointed president of the NATIONAL AIR CARRIER president of the INTER-NATIONAL AIR CARRIER ASSOCIATION.

TERMINAL SYSTEMS. Blackburn, has appointed Mr Mike Lawton as managing director. He was marketing director for 18 months before replacing Mr Bob Astley who becomes deouty chairman.

MURRAY JOHNSTONE has appointed Mr David M. Briggs to the board. He joins from Kemper-Murray Johnstone International

Mr Brian Howard has joined the board of NORTHERN FOODS appointed as full-time managing as a non-executive director. He director of HADEN AUTOMA-was deputy chairman of Marks and Spencer until his recent where he was responsible for retirement.

# Gerrard & National **HOLDINGS PLC**

# RESULTS FOR THE YEAR ENDED 5TH APRIL 1987

	1987	1986
PROFIT FOR THE YEAR	£11,219m	£10.120m
TOTAL COST OF DIVIDENDS	£6.479m	£4.726m
DISCLOSED SHAREHOLDERS' FUNDS	£92.267m	£65.492m
TOTAL ASSETS	£4,176.701m	£3,765.175m

# GROUP PROFIT FOR THE YEAR

Group profit after providing for taxation, minority interests and a transfer to inner reserves amounted to £11,219,000 (1986 £10,120,000). After this transfer, inner reserves stand at a higher figure than previously. In addition, £5,157,000 after tax, resulting from the sale of G&N Equipment Leasing Limited, has also been taken to inner reserves.

# DIVIDEND

It is proposed that a final dividend of 14.0p (1986 12.5p) be paid on each ordinary share of 25p. This, when added to the interim dividend already paid of 3p (1986 3p), will make a total of 17.0p (1986 15.5p) – an increase of 9.68%. The proposed dividend on the ordinary shares of 25p each will be payable to shareholders on the register as at the close of business on 12th June 1987.

# DISCLOSED SHAREHOLDERS' FUNDS

The Group's disclosed shareholders' funds at 5th April 1987 were £92.267 million compared with £65.492 million last year. This year's figure includes the proceeds from the Rights Issue in June 1986, which amounted to £22.035 million.

# TOTAL ASSETS

Current assets, excluding those subject to repurchase arrangements, have risen from £3,765 million to £4,177 million. The addition of the £688 million of assets subject to repurchase arrangements gives a balance sheet total of £4,865 million compared with £4,384 million last year.

# Gerrard & National HOLDINGS PLC

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Issue Price 101% per cent.

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Sparkassen Aktiengesellschaft HandelsBank N.W. (Overseas) Limited F. van Lanschot Bankiers N.V. LTCB International Limited Merrill Lynch International & Co. Samuel Montagu & Co. Limited Morgan Stanley International Nippon Credit International Limited

Orion Royal Bank Limited Sumitomo Finance International Svenska Handelsbanken PLC S.G. Warburg Securities Westpac Banking Corporation

Yamaichi International (Europe) Limited

Sumitomo Trust International Limited Swiss Bank Corporation International Limited Westdeutsche Landesbank Girozentrale Wood Gundy Inc.

Bank of Tokyo International Limited

Banque Bruxelles Lambert S.A.

Barclays de Zoete Wedd Limited

Commerzbank Aktiengesellschaft

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Goldman Sachs International Corp.

Mitsui Finance International Limited

Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd.

Prudential-Bache Securities (U.K.) Inc.

McLeod Young Weir International Limited

Crédit Lyonnais

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Kansallis-Osake-Pankki

Application has been made to the Council of The Stock Exchange for the Deposit Notes to be admitted to the Official List. Interest on the Deposit Notes will be payable in arrear commencing 28th May, 1988.

Particulars relating to National Westminster Bank PLC and the Deposit Notes are available in the Extel Statistical Service. Copies of the listing particulars may be obtained during business hours up to and including 19th May, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 29th May, 1987 from National Westminster Bank PLC at 41 Lothbury, London EC2P 2BP and from:

County NatWest Capital Markets Limited Drapers Gardens 12 Throgmorton Avenue London EC2P 2ES

Strauss, Turnbull & Co. Limited 3 Moorgate Place London EC2R 6HR

**Bankers Trust Company** 

Dashwood House

London EC2P 2EE

Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN

National Westminster Bank PLC Stock Office Services 20 Old Broad Street London EC2N 1EJ

15th May, 1987

# Giant shows it was not slumbering

THE JUICIEST plum of all:
Land Securities—property portfolio of £3bn, net assets £2.45bn,
market capitalisation nearly
£2.4bn—waiting to be picked off,
say respected City men.

Difficult, of course; bit large,
but it could be done with a consortium—say a British company
with an overseas group, probably Japanese. Of course, it
would have to be an agreed bid.
Such possibilities have been

income for the first time over
the City more of late. Even saw itself as too powerful. "In
after the interim figures last
october, the "buy" recommenforthcoming in talking to analysts, journalists," Mr Hunt
highly marketable core holding —Phillips and Drew. "Buy
for relative performance"—
Quilter Goodison. Messel
though was more ambivalent—
Quilter Goodison. Messel
though was more ambivalent—
of more forthcoming in talking to analysts, journalists," Mr Hunt
highly marketable core holding and at the same time
says.

His potted rundown of corporate development rundown of corporate development rundown of cormarket and acquiring more proporate development in talking to analysts, journalists," Mr Hunt
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Such possibilities have been the stuff of City gossip and speculation on and off for over a decade. It is doubtful whether they keep Lord Samuel awake

He is the man who started with three houses in Kensington worth 522,000 in 1944 and created the colussus of the British property market—over 20 per cent of the weighting in the FT Property Shares Index -that on Wednesday announced

much to the west of here."

So here is the Japanese card.

"They've got low yields at home, they're putting money into the UK, they've got to look at the UK, It's a possibility."

Mr Hunt concedes. But, he adds:
"Quite frankly I believe the way this company is going—the potential growth and strength of it is such that it should remain independent. But that shouldn't stop you sitting down and saying 'what if?"

The UK property market."

The point is that the movement of the property market is were pulled into one operation. By the end of the 1970s, development was coming back and tenant demand was changing. At that stage Land Securities is that it simply did not get on the way quickly enough, that it a lumbering giant, that it alumbering giant, that it should remain independent. But that shouldn't stop you sitting down and saying 'what if?"

The point is that the movement of the 1970s, development was coming back and tenant demand was changing. At that stage Land Securities is that it alumbering giant, that it alumbering giant, that it alumbering giant, that it was a bit sleepy, that it had become a mere rent collector.

Mr Hunt denies that, arguit, that it alumbering giant, that it alumbering giant, that it was a bit sleepy, that it had become a mere rent collector.

Mr Hunt denies that, arguit, that it had become a mere rent collector.

Mr Hunt denies that, arguit, that it had become a mere rent collector.

Mr Hunt denies that, arguit it was a bit sleepy, that it had become a mere rent collector.

So, he said, the group set was on sites we already of the usy coming and refuring that people did not know what was going on behind the subsidiaries.

pre-tax profits of £120.6m, total going, in fact, has impressed bother to tell them because it

By the end of the 1970s, development was coming back and tenant demand was changing. At that stage Land Securities decided that as Mr Hunt puts perties are and what they are. And it is at this stage that the most lucrative developments on the market and the mar

wned."

the way Land Securities is goSo, he said, the group set ing to start to run together.

making a great deal of money even if it did nothing. It is London where the group's office portfolio is concen-

But of this 8.5m sq ft, around 3.5m was built before 1965, so there are substantial refutbishment opportunities still to be exploited. And these are opportunities property groups like to have — their existence in the Oldham Estate portfolio was one reason MEPC was keen to buy it. On two of that, in the next year, Land Securities will start work on a Securities will start work on a further 1m sq ft of new space. On the retailing side, the

1978 80

The boom areas are central London offices and retailing. With around 8.5m sq ft of office space in the City of London, the West End and Victoria, Land Securities would be

group has spent over £100m in buying itself a place in the retail warehouse market. It was too late in the field, not starting until 1985, but now has the potential of 3.5m sq ft of space, if all the development plans are brought to fruition. Buying ready-made is now pretty well ruled out. "It's more and more difficult to buy completed things, because everybody's got wise to the yields," says Mr Hunt.

All this adds up to a da.

velopment programme which is substantially more than the £346m Land Securities says it has committed. It has cash in the £346m Land Securities says at the £346m Land Securities says at

LAND SECURITIES 400 82 84 80

Grand Buildings, Trafalgar Square: Plans for redevelopment first discussed in 1981

# The main criteria for a purchase

LAND Securities is looking for further growth, but the chances are that this will take place out of its own development programme rather than buying completed

The difficulty is that, although the group has plenty of resources to step into the marketplace, there are not that many finished properties for sale which eet its buying criteria.

acquisition and that was how Land Securities grew in the 1960s. But then the main criterion for a purchase was simply 'where is it?' That, of course, is still a factor. "You need the highest possible proportion of value in the land," says Mr Peter Hunt, the managing director.
"There is then a margin to support redevelopment and

building."
This is important for the group because it buys for the long term. Indeed, critics say that it does not prune its portfolio often enough or

There are three other criteria Land Securities uses for acquisition: Buy freeholds: only take a leasehold at a peppercorn rent; 100 per cent-"put in the money, own it, control it," in Mr Hunt's words;

Make certain the building is of high quality—it reduces the refurbishment costs.

"The best thing we can do," says Mr Hunt, "is to pick our locations (for site purchase) and build up development and create additional holdings which most these four meet these four

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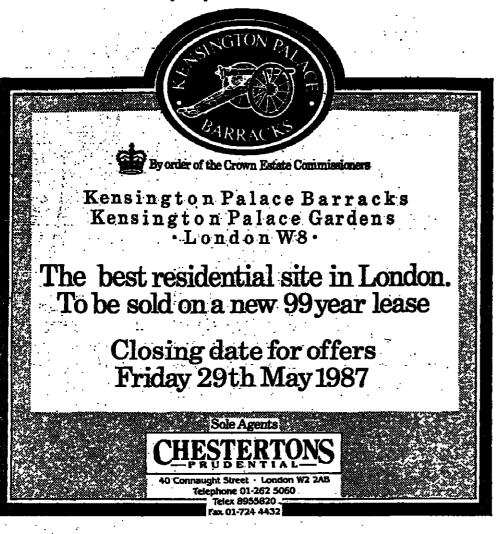
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# **Company Notices**

#### EAST RAND GOLD AND URANIUM **COMPANY LIMITED**

(Incorporated in the Republic of South Africa)
Registration No. 71/07001/06

NOTICE TO HOLDERS OF 15.5 PER CENT UNSECURED CONVERTIBLE DEBENTURES 1988-1991—INTEREST PAYMENT No. 6

Notice is hereby given that in respect of the interest on the debentures for the period January 1 1937 to June 30 1937, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about Thursday, June 18 1987 to debenture holders registered at the close of business on Friday, May 29 1987. For thest purpose the transfer registers and registers.

secretaries on of about Thursday, June 18 1987 to debenture holders registered at the close of business on Friday, May 29 1987. For that purpose the transfer registers and registers of debenture holders will be closed from Saturday, May 30 to Saturday, June 13 1987, both days inclusive. Registered debenture holders paid by the United Kingdom Registrars will receive their interest in United Kingdom currency converted at the rate of exchange applicable on June 2 1987. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before Friday, May 29 1987. In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any, one year is exempt from the tax.

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries.

Secretaries per H. E. Phillips Divisional Secretary Registered Office:

Transfer Secretaries: Consolidated Share Registrars Limited First Floor, Edura 40 Commissioner Street Johannesburg 2001 (P.O. Box 61051

May 14 198?

44 Main Street Johannesburg 2001 (P.O. Box 61587 Marshalltown 2107) Marshalltown 2107)

London Office: 40 Holborn Viaduct London ECIP IAI Hill Samuel Registrars Limited 6 Greencoat Place London SWIP 1PL

<u>gg</u>

6 Greencoat Place London SW1P 1PL Johannesburg May 14 1987

#### WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa) Registration No. 57/02349/06

NOTICE TO HOLDERS OF 12 PER CENT **UNSECURED DEBENTURES 1986-1993** INTEREST PAYMENT No. 14

Notice is hereby given that, in respect of the interest on the debentures for the period January 1 1987 to June 30 1987, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about Thursday, June 18 1987 to debenture holders registered at the close of business on Friday, May 29 1987. For that purpose the transfer registers and registers of debenture holders will be closed from Saturday, May 30 to Saturday, June 13 1987, both days inclusive.

Registered debenture holders paid by the United Kingdom Registrars will receive their interest in United Kingdom

Registrars will receive their interest in United Kingdom currency converted at the rate of exchange applicable on June 2 1987. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before Friday, May 29 1987. In terms of the Republic of South Africa Income Tax Act, 1963, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruding of South Africa. Interest amounting to R20 or less accruing

in any one year is exempt from the tar.

Holders of debentures have been notified that there will be no drawings of debentures for redemption during the years

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Companies Secretary

Transfer Secretaries: Consolidated Share Registrars Limited Johannesburg 2001 (P.O. Box 61587 Marshalltown 2107) First Floor, Edura 40 Commissioner Street

Johannesburg 2001 (P.O. Box 61051 Marshalltown 2107)

London Office: 40 Holborn Viaduct London ECIP 1AJ Hill Samuel Registrars Limited

네네모

#### GENERAL MOTORS CORPORATION

NOTICE IS HEREBY GIVEN that resulting from the Corporation's Declaration of a Dividend of \$1.25 (gross) per share of the Common Stock of the Corporation, payable on the 10th June, 1987, there will become due in respect of Bearer Depositary Receipts a gross distribution of 6.25 cents per unit. The Depositary will give further notice of the Sterling Equivalent of the net distribution per unit payable on and after the 15th June, 1987.

All claims must be accompanied by a completed Claim Form and USA Tax Declaration obtainable from the Depositary.
Claimants other than UK Banks and Members of The Stock
Exchange must lodge their Bearer Depositary Receipts for
marking. Postal claims cannot be accepted. The Corporation's
First Report for 1987 will be available upon application to the Depositary named below.

Barclays Bank PLC
Stock Exchange Services Department
54 Lombard Street London EC3P 3AH

**BARCLAYS** 

**UNI-AMERICAN** 

**GROWTH TRUST** 

Copies of a Half yearly Report to 25th March

1987 with an Explanatory Memorandum are

now available to shareholders from:

Managers: Barclays Unicorn International (Channel Islands) Limited, P.O. Box 152, St. Helier,

Jersey, Channel Islands. (Tel: 0534 73741.)

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# LAW AND SOCIETY

# A message to the manifesto draftsmen

BY A. H. HERMANN, LEGAL CORRESPONDENT

should be, as Professor P. S.

Atiyah suggested in his Hamlyn

and the individual subject.

Work on a code of administrative law should be put in hand without delay and in the meantime an outline of its main principles should be approved for the guidance of

courts.
The European Convention of

Human Rights should be made part of UK law without delay

— a proposal which now has wider support ranging from the extreme left to Lord Hailsham.

As Ms Gillian Peele of Lady Margaret Hall, Oxford, argues in a pamphlett published last week, the system of ombuds-

men dealing with complaints
against national or local
administration and that of the
National Health Service should

be strengthened, publicised and

made effective by giving the citizen the possibility to seek

the enforcement of the ombuds-

man's report in court - as is

possible in Northern Ireland. The ombudsman should be

accessible directly and not just through a member of

parliament.
To this I would add that

many more sectors should be provided with ombudsmen and that the rather toothless Lay

Observer of the Law Society should be replaced by a tribune

with real power to defend the victims of both branches of the

as long as courts are closed to those who are not poor enough to get legal aid or stinking rich enough to be able to pay for it. Let us admit that legal aid is

only a subsidy to the legal pro-fession and discriminates against all people depending on modest or medium income. The remedy

To allow litigants and attor-

tion to each other and to the

court as a preliminary to oral

proceedings which would take only hours where they now take

first task should be to relieve the courts and prisons by an

amnesty of petty first-time

The second move should be stiffer sentences for violent crime ensured by full right of

appeal for the prosecution.
The third move must clearly

be to give more power and more money to the new prosecution service. It should be in full control of prosecution and

not just a messenger boy of the police who discover that their brief is hopeless only

after prosecution is under way. Finally there should be a

far-reaching decriminalisation of petty offences. Shoplifting.

transport and other small frauds should attract a fine on

the spot on the model of a parking ticket and full use

parking licket and full use should be made of alternatives to prison which are already available for punishment of non-violent crime.

Labour camps rather than drug-infested smelly closed prisons should be used to acquaint those with custodial sentences with an alternative life-style and new skills. They

life-style and new skills. They would be cheaper to construct

and to maintain—and to dis-mantle if the new policy is

offences.

Then there is the open sore of overcrowded prisons while crime is on the increase. The

There can be no rule of law

legal profession.

FT WAS my intention to write modernise common law, Law this week, as I have done many Commission recommendations times before, about the awful mess in which the intellectual property law is at present and to draw attention to the excellent ment and, if accepted, should analysis of the problem provided last week by Mr Edward armitage, former Comptroller General of the Patent Office, in a public lecture at Queen Mary College, London University.

However, there is no hope along restore the balance for judicial development or reform of the law.

The haphazard development of administrative law by courts.

The haphazard development of administrative law by courts. Welcome as it was, cannot alone restore the balance actual or potential, will give a thought to such a pedestrian subject (concerning neither sex, violence, race per sport but sex, violence, race nor sport but only how to turn inventiveness week when they are adding the final touches to their election manifestos. I have decided, therefore, to be devious and to tackle the more fundamental failings of which the sorry state of intellectual property law is but one of the many deplorable consequences. Let us hope that the manifesto drafters will prick up their ears when they hear that the rule of law is only

There are four reasons why law is losing a rearguard action, holding on desperately in enclaves engulfed by social and

a fiction in the UK.

technological change.

First, there are many more people in the UK, their origin. ethos and pursuits are much more varied, and the technology they use was undreamed of a mere 50 years ago, but English lawyers try to make do with concepts and methods developed 500 years ago. A casuisveloped 500 years ago. A casuistic law, relying on precedent and specific statutory provisions, shunning general rules, aims and philosophy cannot cope with the fast-changing scene. Mr Armitage provided one illustration in many when discussing the failure of the present system to cope with

present system to cope with industrial design. Second, with mass production,

urbanisation, consumerism, the welfare state, terrorism and information technology, the citizen is dwarfed by the ever-present bureaucratic machine. Yet administrative law which would protect the citizen against the mighty has been completely neglected by parlia-

ment.

The neglect is unavoidable—
and this is the third reason for the defeat of the rule of law—
when parliament is dominated by the government in office so that its checks on the executive that its checks on the executive are more and more only noisy ful.

To allow litigants and attorneys to agree contingency fees, so that the litigant would pay nothing if he lost and the lawyer would get a percentage by the government in office so (according to a retrogressive scale) of the award, if successive large and more only noisy ful. and no longer effective. To replace the present time Finally, the pervasiveness of fees by fixed standard fees—a

government and lack of legal policy already embraced by the principles greatly aggravates Lord Chancellor's department the consequences of an electoral To push energetically system which gives a minority development towards greater party almost absolute power judicial control of pretrial pro-until the next election. ceedings and of the trial, mak-

what is to be done by politicians to re-establish the rule of law?

They should stop fooling themselves and the public that the law-making process can be

themselves and the public that the law-making process can be completed by passing a statute. It is high time to accept that law is a dynamic system created and recreated all the time, all the way down from parliament, by officials, judges, companies and individuals. To function satisfactorily, its

To function satisfactorily, its servants, the lawyers, must be better prepared by being taught not only cases but also the theory and discipline of law. This can hardly be achieved by a six-month cramming course plus some practice. Proper fultime study of at least four years havely academic confidence for should produce candidates for training from a much wider social background to replace our WOMB (white Oxbridge male barrister) judges by a career service with greater understanding of the principles of law and lesser tolerance of

of law and research attorneys' tricks.

As Sir Gordon Borrie, QC,

The Control of Fair Director-General of Fair Trading, now urges, the choice Trading, now urges, the choice of the attorney, whether solicitor or barrister, should be left to the parties and both solicitors and barristers should be free to form partnerships—and partnerships with other professions as well. And perhaps to limit their liability by charge.

shares.
The law-making process is in turgent need of reform. First, as Lord Hailsham suggested when he talked to the Financial Times recently, the purpose of a statute should be made clear both to parliament making it and to the judges applying it by attach-ing to the bill a report to which courts would be able to refer when trying to decipher parliament's intention from the obscure language of the parliamentary draftsman. Second, to help judges

Professor Atiyah; Pragmetism and Theory in English Law; Stevens & Sons 1987.

† Gillian Peels; The Rule of Law in Britain today: published by Constitu-tional Reform Centre, Hughenden Foundation.

£1.50

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**GUERLAIN S.A. and LOUIS VUITTON** The Supervisory Board of GUERLAIN S.A. has given its

approval today for the sale by several shareholders of approximately 15% of the share capital of GUERLAIN S.A. to LOUIS VUITTON. The proposal will be made at the Shareholders' Meetings of GUERLAIN S.A. and LOUIS VUITTON that both companies be represented at each other's Supervisory Board.

The parties were assisted in this transaction by Maison Lazard.

Paris, 6th of May 1987 The Executive Boards of GUERLAIN S.A. LOUIS VUITTON



KREDIETBANK S.A. LUXEMBOURGEOISE

# Invitation for Consultant(s)

The Nicosia Race Club in Cyprus is in the process of evaluating tenders for the computerisation of its horse race betting operations and proposes to engage an external consultant to verify the report and recommendations of its local consult-

computerised totalisator systems. Applications should be submitted not later than 13th June,

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# Producers take a grip in cadmium market LONDON

BY STEFAN WAGSTYL, MINING CORRESPONDENT

CADMIUM PRICES have risen by 75 per cent in a month helped by efforts by European producers to take a tighter hold on supplies to the market.

Traders say that the producers have taken advantage of a market in which worldwide stocks have fallen to the lowest level for many years and demand is growing strongly.

Cadmium, refined as a by-product in zinc smelting, is used in plating and paint-making, and increasingly in ickel-cadmium rechargeable

The free market price has risen from about 90 cents a pound in early April to \$1.55-\$1.62 a pound this week, according to Metal Bulletin, the trade magazine.

LME holds

of clearing

Commodities Clearing House, which will run the system, are

to process this afternoon's trades to test their procedures.

Traders and exchange officials

were crossing their fingers that everything would go well after months of intensive prepara-

and within the LME over the precise form of the new market have delayed its introduction. Meanwhile, the exchange has

put forward to members its final draft plans for the reorganisa-

tion of the LME's management. This involves replacing the cur-rent two-tier structure in which

authority is divided between a

board and a committee, with a

single managing board.

LME members have until May

21 to respond to the proposals before a general members' meet-ing on May 28. The new manag-

litigation arising from the tin

crisis from the new body, a new company, called the Loudon Metal Exchange Ltd.

has been created to hold the

exchange assets. The old com-

pany, the Metal Market and

Exchange, which is being sued

in tin crisis litigation, will stay in existence but will be

dormant.

dry run

system

By Stefan Wagstyl

Traders say Vielle Mon-tagne, the Belgian metals group which is the world's largest cadmium producer, has stopped selling metal on the spot market in order to concentrate on expanding output of cadmium-based pro-ducts and has even bought metal from other producers. It is understood that other European producers have also restricted sales on the

A senior executive in Vielle Montagne's commercial department, denied yesterday that producers were in any way co-operating over cadmium pricing.

The only co-operation between European smelters was in a joint study, announced last month, by several com-panies into the possible future consolidation of the European industry, said Mr

The companies publicly involved in the talks, which may lead to the closure of zinc, and therefore of cadmium, production capacity, are Vielle Montange, Boliden of Sweden, Outokumpu of Finland, Penarroya of France and Preussag of West Germany.

The pattern of supply and demand has been moving in favour of higher cadmium prices for some time. Cadmium output last year rose by 4 per cent to 14,709 tonnes in the Western world according to the World Bureau of Metal Statistics But consumption rose by 12 per cent to netal statistics but consump-tion rose by 12 per cent to 15,500 tonnes, largely as a result of growing Japanese demand for metal for batteries. Japan, once a net exporter, has recently been im-

In addition, supplies from China, a big source of metal until last year, became very scarce and the country has had trouble fulfilling con-

As a result, stocks have fallen greatly—the statistics bureau says that producer stocks stood at 2,900 tonnes at the end of February, 40 per cent of what they were in the mid 1076c mid-1970s.

Traders say that, against this background, three factors triggered the price rise—re-cent Chinese failures to ship metal; a swing in favour of metal prices generally, espe-cially precious metals; and the European producers'

# Euro-MPs back plans for EC oils and fats tax

BY QUENTIN FEEL IN STRASBOURG -----

A BRITISH-LED attempt to amounts (MCAs)—border taxes dustry, and that the tax must THE London Metal Exchange, which is moderninising its market, is today holding a full-scale practice run of the clearplans for a tax on oils and fats, which opponents say could precipitate a furious trade war with the US and other suppliers, ing system which will be brought into action on May 29. was defeated in the European Parliament yesterday. The exchange, trading com-panies and the International

The final decision on the tax is up to the Agriculture Ministers of the 12 member states, who meet again next week in another effort to agree on farm prices in the EC for the coming year. However, the the coming year. However, the vote in the Parliament suggests and palm oil, like malayan that the opposition lobby within Indonesia.

The MEPs yesterday voted by The MEPs yesterday voted by

weakening.

The MEPs yesterday gave The exchange is abandoning its century-old principal-to-printheir broad support to the agreed commission's tough price would strategy, rejecting a proposal leave that prices for cereals should to it. cipal market in favour of a cleared market in response to pressure from the Securities and Investments Board, the City regulatory watchdog.
Exchange officials originally hoped to have the new system in place in March. But the prolonged discussions with the SIB

that they should actually be cut to reduce the current surpluses.

They also supported the dismantling of the system cooking oil and margarine, but of monetary compensatory absorbed by the processing in-

vote down the European and subsidies—which cushion be consistent with the rules of Commission's controversial farmers against currency move the General Agreement on plans for a tax on oils and fats, ments in strong currency Tariffs and Trade. ments in strong currency countries like West Germany and the Netherlands.

The oils and fats tax, presented by the European Commission as a "stabilising mechanism" to bring balance

back into the olive oil and other vegetable oils sector, has aroused fierce opposition both in the food processing industry, and amongst external suppliers of soyabeans, mainly the US,

184 votes to 126 in favour of the measure, although they agreed to an amendment which would exclude fish oils, and leave only vegetable oils liable

Sir Fred Catherwood, the Tory MEP who sought to coordinate opposition to the move, condemned the vote yesterday as "extremely dangerous." Five EC member states

oppose the tax in the Council

of Ministers—Britain, the Netherlands, West Germany, Denmark and Portugal—and between them they command a blocking minority. However, in the Parliament yesterday the Dutch members were notable for voting mainly

in favour of it. Sir Fred said the main opposition came from MEPs concerned about the international trade repercussions.

"We cannot run the com-munity on the basis of a farm LEAD lobby and have no regard for international trade," he said. EC budget shortfall, Page 2

# US stalls on subsidised wheat sales to Soviets

BY NANCY DUNNE IN WASHINGTON

ing on May 28. The new managing board is to be elected by July 10 and to start work on July 24.

The US Department of Agriculture rejected the terms of the Soviet tender for Im tonnes of the Soviet tender for Im tonnes. of wheat, saying that the specification of 60.6 lbs minimum weight is not in keeping with the original export bonus agreement.

The standard for red winter wheat number two, the type of wheat sought, is 58 lbs a bushel. Exporters resubmitted new bonus amounts Tuesday evening, but the USDA refused to con-sider both the bid amount and bonus.

To raise £200,000-£300,000 needed to run the exchange to Reports circulated among the end of December, ring-dealing (trading) LME mem-bers will be asked to contritraders that the department was seeking to stall the sale until prices declined in order to reduce the amount of subsidy bute a suggested £10,000 each as a joining fee, clearing associate members £6,000 and other associate members £6,000 and other associate members £2,000. Thereafter money will be raised from annual subscriptions.

prices declined in order to give the USDA additional funds for the programme. The bonus cheme also serves the purpose of off-loading some of the subsidy needed fell from \$52 cost must be budgeted at a earlier in the week to \$45 yes-time when there is no room in the budget for more farm aid.

THE US offer to sell 4m tonnes The cost of the subsidies is of subsidied wheat to the of particular concern. The Soviet Union is running into difficulties over the terms of the cost of the subsidies is the sale and the level of subsidies is department is getting periously

department is getting periously close to the \$10n limit Congress has budgeted for the export enhancement programme, under which subsidies are provided. Thus far, the crop "bonuses" given to exporters to subsidise sales valued at \$675m.

At \$45 a tonne, a 4m tonne sale would bring the total for subsidies to \$855m. The USDA still has several offers out to other customers and has been expected to make new offers subsidies to China and

> . Congress pushed hard for subsidies, and under ordinary circumstances could be expected give the USDA additional funds

# Japan's rice growers accept price cut .......

By Carla Rapoport in Tokyo JAPAN'S FARMERS have agreed to accept to first cut in

Domestic rice prices in 31 Japan has been under severe attack both at home and abroad for maintaining high levels of agricultural subsidies and maintaining a total ban on the

import of rice. Its politically powerful far-mer's lobby, the Central Union of Agricultural Co-operatives, however, has long defended the government's position. None-theless, it now says that falling

interest rates and three conse-cutive years of big harvests have lowered rice production costs. It also says that criticism of Japan's rice prices, which are eight to 10 times the world price, had been another factor

behind the decision. Nonetheless, the union con-tinues to argue that Japan must be self-sufficient in rice for security reasons and that farmers must be protected from foreign competition.

ZINC prices continued to subside from recent highs yesterday with LME values registering falls for the third day in succession. The cash positions £10.50 fall took the aggregate to £51, easily outweighing Monday's £31 rise, which dealers now regard as an overreaction to news of a strike at Cominco's Trail/ Kimberley complex in British Columbia. The market had fallen lower in the morning but steadied later as speculators began to cover forward sales. Dealers also noted signs of chart-based support at the lower levels. Copper and aluminium markets were also weak with cash aluminium losing all but 25p of Wednesday's £23.75 rise on

or wednesday's 222.75 rise on profit-taking and dellar-based Japanese selling. Japanese had been quoted as a significant factor in the rise earlier in the week. Cash Grade A. copper's £11.50 fall to £905.50 a tonne led many traders to conclude that the market had now lost its basic upward momentum and was unlikely to break through resistance areas some £15 or £16 above the current level.

LME prices supplied by
Amalgamated Metal Trading.

# ALHMINITIM

LVI		TA _	_
	Unofficia close (p.m £ per	H or	High/Low
sh months	866-7 855-6	-23.50 -17,75	869,858
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(889-90), the settlement 66 86-7. Turnove	C (890)	Final	kesb cles
COPPE	R		
Grade A	Unoffic' close £ per t	+or	NighAc
Cash	905-5	-T1,50	909/908

Cash 3 months	905-5 884-5	_11,50.9 _71,00.8	09/908 99/882
Official clo (915.5-6.5), (896.5-896), Final kerb C	three settleme:	menths et 908.5	887.5-8
Standard Cash	855-50 850-5	20-	860

IIIOKWa			
Official ele 90-5), shra	sing (an	a): Casi 858-60	- 865-7
ettlement 6 rices: 71.5-	170 (885)	). US	produ
mover: 28.	850 tann	bs.	-

	Unofficia close (p £ pe	al +or .m.) — r tonne	High/Low
ash months	424-5 367-7 <u>.</u> 5	+1.00 +1.25	427/422 358/360
118-9), 1 stdemen 34-5, T	three mo 2 422 (41 urnover:	nths 363- 19). Final	Cash 421-2 4 (368-8.5), kerb close: tonnes. US

# NICKEL.

	ciosa (p.	m.) —	Hightlow
Cash 5 months	2805-15 2795-809	+30 +25	2820/27 <b>19</b> 2815/2798
(2765-70), i), settien	closing (ar three month tent 2790 ( )-90. Turno	ths 2780 (2770). 1	-90 (2760- Final kerb
TIMO			

# Unofficial + or |

ciose (p.m.) — . ≥ per tonne			gb/Low
503-4	-10	.50 50	15/499
502-5	-9,	25  50	18 <sub>1</sub> 491
kree mo	nths 49	9-9.5	(516.5-
Jerpent S	100 (521	). Fin:	ai kerb
-3.5. Tus	nover: 9	9,125 1	tonnes.
	503-4 502-3 closing hree mo lement 5 -3.5. Tur	503-4 —10 502-5 —9. closing (am): three months 49 dement 500 (521 -3.5. Tumpyar:	2 per tonns   HI   2 per tonns   503-4   -10,50 50   -9,25   50   502-3   -9,25   50   502-3   -9,25   50   502-3   -9,25   50   502-3   -9,25   50   502-3

KUALA LUMPUR TIN MARKET; Close SILVER

Silver was fixed 4.5p an ounce lower for spot delivery at 516.95p. US cent equivalents of the fixing levels ware: spot 865c, down 4.5c; three-month 880.05c, down 4.9c; six-month 885.05c, down 5.05c; and 12-month 924.80c, down 5.4c. The metal opened at 515-519p (860-865c) and closed at 520-524p (873-878c).

SILVER per troy oz	Bullion Fixing Price	+ or	LM.E. p.m. Unoffic'i	<u>+</u> or
Spot 5 months . 6 months . 12 months	527.85p 537.95p	–4,85 –5.85	521,5p 532,5p	-0.5 0.5
LME-Tu	rnover: 6	(8)	loss of 1	0,000

Three months high 526p, low 525p, final kerb 533-5p.

# GOLD

Gold fell just \$12 an ounce from Wednesday's close in the London buillion market yesterday to finish at \$4601—861. The metal opened at \$458-4581, and traded between a high of \$458-45812 and a low of \$458-45812. Trading was a little uncertain with septulators still trying to assess future dollar movements after the US trade figures. GOLD BULLION (fine outros) May 14

Close \$4601; 461 Opening \$458-4581; M'n'g fix \$450,00 Aft'n'n fix \$461,05	(£27414-27414 (£27412-275) (£275.565) (£274.631)
GOLD AND PLATING	JM COINS
Am Eagle., \$474-478 Mapielesf \$4723-4774, Krgirind., \$461-454 2 Krug, \$2349-2353a 4 Krug, \$1153-11934 Angel, \$471-474	(£2881 <sub>2</sub> -2851 <sub>2</sub> (£2813 <sub>4</sub> -2841 <sub>2</sub> (£2745 <sub>4</sub> -2761 <sub>4</sub> (£1393 <sub>4</sub> -1401 <sub>4</sub> (£703 <sub>4</sub> -711 <sub>2</sub> ) (£2801 <sub>2</sub> -2821 <sub>2</sub>

# 1/10 Angel 845½-60½ (£271;-301;) \*\* New Sov. 81081;-1091; (£643;-651;) Old Sov... 8109:1101; (£69-651;) 8 20 Eagle 8500-680 (£3971;-3271;) Noble Piat 85281;-6861; (£3741;-3781;) RUBBER

PHYSICALS—Closing prices (buyers):
Spot 61.50p (same); June 61.25p
(same): July 60.75p (same). The
Kusis Lumpur fob price (Malaysian/
Singapora cents) per kg: RSS No. 1
22.0 (220.5): SMR 20 199.5 (188.5).
FUTURES—Index 561, June 680-583,
July 580-583, July/Sept 580-583. Sales:
Nil.

# MEAT

MEAT COMMISSION—Average fat-stock prices at representative markets. GB—Cattle 99.64p per kg lw (+1.84). GB—Sheep 289.04p per kg est dow (+5.75). GB—Pigs 82.75p per kg lw (+5.85).

#### US MARKETS INDICES

local short-covering late in the session steaded the precious May 14, May 13, M'th ago, Year ago metals futures, reports Drexel 1613.2 1616.4 1562.5 1774.5 Bornham Lambert Earlier, the gold, sliver and platinum Jones 15 12 ago ago Spot 129.49 129.53 — 128.66 Fut 129.57 129.78 — 122.25 (Base: December 31 1931 - 100)

May 14 + or Month 1987 — ago ... 

MAIN PRICE CHANGES

REUTERS

DOW JONES

nut (Phii) | \$415u | -5 | \$407.5 | Malayan | \$357.5v | +7.5 | \$350 ora (Phil) (\$265u | \$250 yabean (U.S.) | \$158 | +1 | \$140 |

Barley Fut. Sept 297.55 -- 1.05£299.45 Maize £149.00 +- 3 £143.25 Wheat Fut. July £122.20 -- 0.25£124.60 No. 2 Hard Wint. \$

† Unquoted. † Per 75-ib Sask. c Cents pound. \* Cotton ordook. w June-Aug, July. u May-June.

#### COFFEE

Robustas traded in generally light conditions within a narrow range, reports Draxel Sumhen Lambert. Light spil-over trade hedging was unable to degress the market with commission scale-down buying providing the support. A firm New York market and book-countion left the market a truch

steadier.			-
COFFEE	Yesterd a ciose	y + or	Busines Done
	1360-1362 1375-1377 1392-1388 1409-1415 1427-1428	+4.5 -0.5 -4.0 -3.5 -14.0	1864-184 1880-186 1897-138 1414-140
Sales: 25		lots o	5 toane

Having made the levels due. 210-have: then the inventors. About, futures, filled briefly but, ended the day at a mid-point; of the maded range, ight consumer interest was seen at the love but. Involucers; were with-

1250-1265 -8.0 1225-1256 1265-1287 -6.0 1225-1221 1301-1302 -6.0 1225-1221 1327-1329 -2.0 1225-1225 1355-1357 -1.5 1355-1356 1375-1377 -2.0 1576-1376 1392-1397 -2.6 1238-1536

Selea: 2,971 (4,250) lots of 10 tennes. ICCO indicator prices (SDRs per tenne). Daily price for May 14: 1606.18 (1616.63): 10-dey average for May 15: 1607.88 (1606.37). FREIGHT FUTURES

After opening 30 points higher trad-ing continued in a very nervous and erratic manner moving as much as 20 points between trades. Despite a 142-point rise in the SFI the afternoon saw levels generally depressed, reports Clarkson Wolff.

| Close | High/Low | Prev. Dry Cargo July 1050/1051 1080/1045 1059
Oct. 1039/1049 1075/1044 1050/1890
Jan. 1030/1045 — 1045/1880
Apr. 1020/1070 — 1030/1855
July 900/950 — 900
Oct. 880/870 — 860
Jan. 920/870 — 930/940
April 1070/1100 — 1070
BFL 1102 — 1087.5

# Turnover: 526 (670). **GRAINS**

Old crop wheat sew a narrowing of the May/July spread influenced by May shipper short-covering. New crop wheat held strong salling pressure from trade and country hedge resistance, but barley collapsed on lack of bids fuelled by speculative selling interest, reflecting the European parliament finance discussions which seem to favour initial EC proposale, reports to favour initial EC proposals, T. G. Roddick.

LONDON GRAINS—Wheet: US hard wimer 13<sup>2</sup>2 per cant Jun/Jul 36:50, Aug 96:00. US no. 2 soft red winter Jun 96:25. Jul 33:75. Aug 94:50. French 11<sup>2</sup>2-12 per cent May 143:00. English feed fob May 123:00 paid Boaton, Jun 124:50 seiler, Sep 103:00/104:00, Oct/ Dac 108:50/107:00 buyer/selfers, Oct/ Mar 103:25 seilers, Melaye US no. 3 yellow/French transhipment east coest May 149:00. Berley: English feed fob Jun 112:00/113:00 busyr/sellers English. 111:00/112:00 Scottlah, Jul 20/Aug 10 99:00/98:00 busyr/sellers. Aug 100:00. Sep 102:00. Oct/Dec 106:00 sellers.

HGCA—Locational ex-farm spot prices. Feed Barley: N. West 108:60. Sep 102.00. Oct/Dec 105.00 sellers.

HGCA—Locational ex-farm aport pricas. Feed Barley: N. West 108.60. The UK monetary coefficient for the week beginning Monday May 18 w/H remain unchanged.

Business done—Wheet May 120,90-20.70, July 1222.20, Sept 101.65-1.55. Nov 103.70-3.60. May 171.50-1.45. Sales: 178 lots of 100 tonnes. Barley: May 105.50-8.00, Sept 98.40-7.55, Nov 103.70-100.00. Jan 103.20-2.40, Mar 105.65-4.85, May untraded. Seles: 83 lots of 100 tonnes.

# **POTATOES**

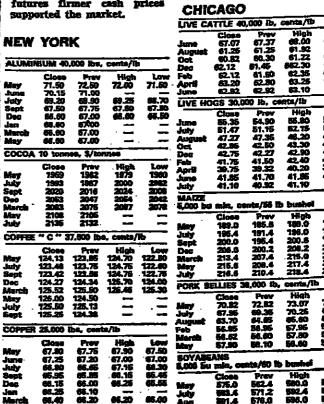
Yesterday's Previous Business close close done & per tonne

91.00 91.50 91.00-90.50 100.50 100.30 — 194.90 194.80 194.50-198.05 137.00 137.80 —

# COMMISSION HOUSE and

were al dominated by local trading which held the markets steady in light volume. A brief dip to the lows was prompted by light profit-taking. Copper futures closed steady in light volume with no major feature. Light trade and commission house buying in crude oil futures held prices steady in an otherwise quiet market. Com-mission house buying and short-covering steadied coffee futures. In cocea commission house and light trade buying firmed the market, but in quiet trading. Sugar firmed on trade buying. In cotton and orange juice futures continued commission house buying held the markets steady. Wheat futures fell reflecting the fall in terminal prices, while increased concern over long-range weather forecasts steaded maize and forecasts steadied maize and sayabean fatures. Heavy long-liquidation in both the eartie and pork belly futures reflected both good movements of physicals and easier cash prices, while in hog futures firmer cash prices supported the market.

CRUDE OIL (LIGHT)



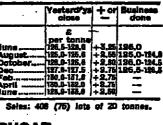
| Low | Sept. Prav 63.13 62.85 62.12 68.50 69.05 68.20 67.96 | Low | March | 198.5 | 181.0 | 188.0 | 78 | 18.0 | 181.5 | 186.5 | 181 | 18.0 | 181.5 | 186.5 | 181 | 18.0 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | 181.5 | Close 17.28 17.56 17.80 17.97 13.16 16.47 18.55 18.65 19.10 GOLD 100 troy ez, \$/troy ez Low March 18.55
400.5 May 19.10
422.3 July 19.10
467.5 6,000 bat min,
472.0 May 300.6
483.0 July 301.6
487.0 Sept 304.6
517.0 Blarch 311.0
517.0 Blarch 311.0
525.5 May 307.6 Prev 458.4 460.0 462.8 471.2 476.9 483.1 489.1 4908.7 515.5 522.4 High 460.5 466.0 466.5 477.2 483.0 486.5 496.0 498.5 513.0 522.0 526.5

11177

1.34 E

#### OIL SOYABEAN MEAL

Crude prices were stable in a very thin market. June WTI opened 5c down on Nymex and traded 3c up at 1.30 pm EDT, in the petroleum products market gas off weekened on limited buying interest. Gasoline and naphtha researed atable as traders stood off from markets apparently covered. The fuel market was inactive—Patroleum Amus. Good commercial buying pushed higher throughout the day with only scale-up option hedge selling stemming the mily, reports Muirpace.



SUGAR

· S per tonne 

Sales: 3,948 (1,308) lots of 50 tonnes, Tata & Lyle delivery price for grang-leted basis sugar was £210,00 (£211,00) a tonne for export. International Sugar Agreement—(US cents per pound tob and stowed Carlabean ports.) Prices for May 12: Daily price 6.78 (6.85); 15-day average 6.75 (6.71).

# Latest + or --CRUDE OIL—POB (5 per barrel)—June Arab Light.. Arab Heavy. Prompt delivery oif (\$ per tenne) Gas Oll...... Henvy fuel Oll. Naphths ...... GAS OIL FUTURES

Yestrdy,s + or -154,25 158,75 154,50 156,25 156,50 -1.00 155.58-55.50 -1.00 155.90-51.90 -1.00 155.75-54.90 -1.00 157.50-56.75 -1.00 158.60-58.39

# Copper deficit forecast

non-socialist countries expected to continue increasing this year, according to the International Wrought Copper

The council said consumption and production rose by 2.6 per cent in 1986. In 1987 consumption is expected to rise by 1.4 per cent, while production is likely to remain about steady. After deducting net exports to the Eastern Bloc, a statistical

COPPER CONSUMPTION in culated for 1986 and a deficit is of 101,000 tonnes forecast for 1987.

> Environment advice campaign begins

PEOPLE IN the Midlands are to get a torrent of good advice on how to save energy and water, reduce waste and generally cut costs—from the EC. The community experiment is to the Eastern Bloc, a statistical part of European Environment deficit of 27,000 tonnes was cal-

# هكذامنة المصل

#### Kenya's horticultural revolution BY ANDREW BUCKOKE IN NAIROBI MORE THAN 3m kg of the Ksh 247m last year were almost french beans eaten in France last year were raised by peasant farmers in the tropical all grown by two large firms, Sulmac and the privately-owned Kenya Oserian Development Comp earth of Kenya. Britain bought

a similar amount. French beans are just part of the wide range of fresh vegetables, fruits and flowers that is now Kenya's fourth largest foreign exchange earner, important single vegetable, with 9.1m kgs worth Ksh 156m exafter coffee, tourism and tea. In 1986 36m kg of horticultural exports worth Ksh 630m (£25m) ported last year. But about 20 Kenya were flown out, according to the Horticultural Crops Development Authority.

international flower trader Florimex: France 13 per cent. almost all in french beans; and the Netherlands 12.7 per cent, mostly in flowers to be sold to mostly in flowers to be sold to past performance the Governinternational buyers at the ment's target of 10 per cent
Dutch auctions.

Annual growth in horricultural

exports has been spectacular, reasonable.

The 8.2m kgs of cut flower of the exports in Europe, will that contributed be prohibitive for all but the

But most of the vegetables and fruits were grown by small-holders dotted all over the country, wherever there are suitable conditions. French beans are the most

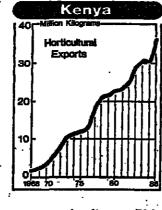
others are grown for export, including a wide range of Asian vegetables, such as okra and chillies, in high demand in London and other cities with compared with 1985.

Britain took 44 per cent of the exports, mostly in vegetables and fruits; West Germany 14 per cent, mostly in carnations grown by Sulmac, a subsidiary of Brook Bond Kenya, and sold fruits and town other cities with large Asian populations.

Mangoes, at 2.9m kgs, generated Ksh 50m, and 2.1m kgs of avocadoes Ksh 17m. Exports of these and other tropical fruits, such as pine-apples, pawpaws and passion fruits and town of the substitution of the ripe for expansion. The Nairobi market features tempt-ing piles of fragrant fruits and vegetables of nearly every variety in the world, and on

The growth in horticultural exports to the year 2000 appears the authority, less than 1.5m kgs were exported in 1988, rising to 22m kgs in 1980, and 31m kgs in 1984. What is remarkable is that this growth has been the state of the control of the crops are ever, is a transport bottleneck. However, is a transport bottleneck. However, is a transport bettleneck. However, is a tran is that this growth has been ger and cargo planes that generated by private farmers Nairobi attracts as a tourist and without subsidies or, except for communications centre for the the guidance of the develop- region. Chartering aircraft to ment authority, any other fly down empty from Europe, government or outside assistance.

The guidance of the development of the guidance of the development of the guidance of



most expensive items. Rising fuel costs are already a source

Shipping is the obvious solution and several experimental consignments have been sent in cooled containers — without providing any useful conclusions according to the development authority. But this presents several difficulties apart from its limitation to crops that can be stored for at least three weeks, even if cooled, ruling out flowers and many vegeto the steamy coastal port of Mombasa, where cold storage facilities like those at Jomo Kenyatta Airport in Nairobi

growing realisation of the need to diversify exports away from vulnerable single commodities such as tea and coffee, these difficulties may be overcome, however. Apart from the limited cor tribution sea freight may offer the authority sees two routes to the continued growth of ex-

port earnings. One is to in-crease the quality, often a prob-

Cans and cartons of fruit and juices of reasonable quality are widely available locally, and freezing and drying should present no difficulties, but the world market for processed horticultural products is very competitive. The growth of horticultural exports from Kenya has so far depended on the much higher value of the fresh tropical or off-season fruits, vegetables and flowers that its position as a natural greenhouse enables it to pro-duce and its position as a major

harder to achieve, and a serious trade — comprehensive sanc-tions against South Africa would remove a major competitor, but would also probably mean the cancellation of the 16 transit departuers to Europe from Nairobi each week. would have to be built to consolidate cargoes.

Given the entrepreneurial on links with South Africa
spirit of the farmers and the would also be cut.

lem with scattered smallholders, and value of the crops using existing air freight space and the other to expand the export of processed products.

African air communications centre has enabled it to export, Future growth will be much threat hangs over the existing

#### **Financial Times Friday May 15 1987**

# **CURRENCIES, MONEY & CAPITAL MARKETS**

in Tokyo as traders awaited the release of US trade figures. In addition there was a reluctance to sell dollars after a message from

appointing figure would put further downward pressure on the

US unit. The latter closed at Y140.05 compared with Y140.35 in New York and Y140.15 in Tokyo on

Wednesday.
NIGERIAN NAIRA—In Lago:

#### FOREIGN EXCHANGES

day May 13 10%

A Company of the comp

the Carle Serve

# Trade figures disappoint

shortiali would narrow inter this year. There was, however, no immediate acceptance since trad-ers were unwilling to change mar-ket sentiment on the basis of one set of figures.

set of figures.

The dollar closed at DM 1.7870 down from DM 1.7800 and ¥139.50 compared with ¥139.70. Elsewhere it slipped to SFr 1.4690 from SFr 1.4710 and FFr 5.9625 compared with FFr 5.97. On Bank of England figures, the dollar's exchange rate index fell to 100.1 from 100.4. from 100.4.

Traders were unsure about the dollar's direction from now on. So much had been set store by the trade figures and traders were unwilling to make any clear decision about the dollar's trend.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710 April 1997 are 1.5715

against the dutier in 1867 is 186816.
Exchange rate index 73.7 against 73.6 at the opening and 73.5 on Wednesday night. The six-menthsago figure was 68.3.

£ IN NE	W YORK			
May 14	Latest	Previous Close		
£ Spot 1 mouth 3 months 12 months	1.6640-1.6650 0.30-0.27 pm 0.67-0.63 pm 1.30-1.20 pm	1.6690-1.6600 0.26-0.25 pm 0.63-0.60 pm 1.24-1.16 pm		
Forward premiums and discounts apply to the				

STERLING INDEX					
		May 14	Previous		
8.30 9.00 10.00 11.00 Nean 1.00 2.00 3.00	am second	73.6 73.6 73.6 73.7 73.7 73.7 73.7 73.7	73.4 73.5 73.4 73.5 73.5 73.5 73.5 73.5 73.5		
	•		•		

CURRENCY RATES					
May 14	Santa	Special	European		
	rate	Drawing	Carrency		
	%	Rights	Unit		
Sierling U.S. Dollar Canadian S Austrian Sch. Belgian Franc Danish Krone Olessche Mark Nich. Golder French Franc Halian Lira Japunese Yen Norszy Krone Spanish Peseta Spanish Krona Spanish Krona	-550 4 8 7 3 4 5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	WA WA	0.692503 1.15856 1.55145 14.6106 43.0954 7.81389 2.07787 2.94179 6.93682 1.93525 162.082 7.73510 145.399 7.25720		
Swis Franc	35		1.70829		
Greek Drack	201 <sub>2</sub>		154.540		

siff wat	<u>—1</u>	-	<u>' ن '</u>		0.77	7
STÓR	FREE I	ior M	. IL	1.7434	6	ď
1.0			• •		ú	
***	₹ :					÷

Bank of England Index	Morgan Guaranty Changes %
73.7 190.1 76.8 138.4 190.2 93.5 147.1 174.8 135.3 71.7 47.3 226.8	-19.8 -6.8 -11.5 +10.1 -4.5 +2.5 +21.7 +23.9 +14.2 -12.8 -12.8 -14.4 +69.5
	England Index 73.7 1901 76.8 138.4 100.2 93.5 147.1 174.8 135.3 71.7 47.3

-	-	_
ATLIED .	CURRENCI	EG .
DINER	<del>COLUMEIA CH</del>	
May 14	£	- <b>S</b>
Argentina	2,6495-2,6610	1,5800-1,5860
Auttralia	2.3520-2.3550	1.4025-1.4035
Brazil	49.98-50.27	29.8120-29.9610
Finland	7.2770-7.2905	4.3470-4.3490
	221.10-224.97	132 50-134.76
Greece		
Hong Kong	13.0810-13.0995	7.8030-7.8040
Iran	117.50*	70.00*
Korea (Sth) .	1381_45-1393.95	827.70-834.60
Kuwait	0.4565-0.4575	0.27250-0.27650
Luxenbourg	62.00-62.10	37.00-37.10
Malaista	4,1375-4,1485	2.4685-2.4700
Mexico	2040.65-2062.00	1217.00-1229.00
M. Zealand	2,9015-2,9090	1.7300-1.7930
Saud Ar	6.2800-6.2860	3.7495-3.7505
Singapore	3.5840-3.5625	2.1200-2.1215
S. AL (On)	3.3440.3.3695	2,0040-2,0080
E 1/ /C-1	E 9200.E #040	1 1745 2 2795

**MONEY MARKETS** 

734550 32,40-32,50 U.A.E. 61510-61570 3.0725-3.0735

THE DOLLAR finished on a The pound was boosted by two weaker note following the release of US trade figures. These showed a clear lead for the Conservative of US trade figures. These showed a clear lead for the Conservative a March deficit of \$13.6bn which was down from the previous figure of \$15.1bn but a lot worse than some expectations.

There was a general feeling that the size of the US deficit had reached its peak and that the shortfall would narrow later this shortfall would narrow later this attraction and it closed at \$1.6780 year. There was, however, no property \$1.515 and DM 29075

up from \$1.6715 and DM 2.9975 compared with DM 2.9925. It was also higher against the yen at Y234.10 from Y233.50 and closed elsewhere at SFr 2.4650 from SFr 2.4600 and FFr 10.0050 compared with FFr 9.98.

D-MARK—Trading range against the dellar in 1987 is 1.9385 to 1.7690. April average 1.8112. Exchange rate index 147.1 against 142.8 six months ago.

News of a small contraction in the US trade deficit failed to stop the dollar from finishing slightly lower in Frankfurt. It closed at DM 1.7865 from DM 1.7940 on Wednesday. While a step in the right direction, the size of the contraction appeared to disappoint market traders.

NIGERIAN NAIRA—In Lagos the naira slipped to 4.1201 to the dollar at the latest auction, its lowest level for seven months. At the previous auction two weeks ago it had been fixed at DM 3.9899 and yesterday's rate represented a depreciation of over 63 per cent since the opening of exchange controls.

EMS EUROPEAN CURRENCY UNIT RATES

	4582 43.0	954 +1.50		
French Franc 2.0 French Franc 6.9 Dutch Gelider 2.1 Irish Punt 0.76	15212 7.81 15853 2.07 10403 6.934 11943 2.34 18411 0.777	389 -0.49 7787 +0.94 586 +0.48 1179 +0.96	-1.22 +0.21 -0.25 +0.23 +0.39	± 1.5344 ± 1.6404 ± 1.0981 ± 1.3674 ± 1.5012 ± 1.6684 ± 4.0752

rogistineni.		A LEGISLEM TRACE	5.		
					•
DUND	SPOT-	FORWARD	AGAINST	THE	POUND

May 13	Day's spread	Close	One month	92.	Three executes	% p.z.
S	1.6675-1.6790	1,6775-1,6785	0.27-0.24c pm	1.82	0.63-0.58 pm	1.44
اــــــ علمومح	2.2326-2.2484	22453-22484	0.26-0.17c pm	1.15	0.39-0.27 pm	0.59
letherlands .	3374-3384	3.374-3.384	11-7c pm	3.55	31-27, 30	3.55
أ شيئواها	62.00-62.27	62.00 62.10	14-7c pm	-2.03	29-18 dis /	1.51
eurark		11.27%-11.28%	15-2 are dis		47 <sub>8</sub> -54,de	-1.71
refand	11185-11225	1.1200-1.1210	0.15-0.24 p ds		037-0.63 ds	-1.62
V. Germany .	2994-3.004	2.994-3.004	11 <sub>2</sub> -11 <sub>4</sub> pr pm	5.50	4-3% pm	517
ortugal	231.85-234.15	233.17-234.15	94-165c dis	-6.65	336-428 ds	-6.54
بــــــــــــــــــــــــــــــــــــ	20975-21229	2.0994-2.3029	150-240c dis	-11.13	420-535 ds	-9.09
aly	21642-2176%	2169-2170	I-3 fire dis	-1.11	5-10 ds	-1.38
orway	11 134-11 182	11151-11164	5-51, one dis			-5.89
130CP	9.994-10.012	10.00-10.01	ֆ-Կ c բա	0.52	14-14 pm	0.50
weden	10.45%-10.50%	10.47%-10.48%	b-√s are dis			-1.07
<b></b>	2334-2344	2331-2347	14-74 y pm	5.13	3-24 pm	4.91
OSTF10	21.05-21.12	21.09-21.12	84-74 gro pm	4.41	247-217-pm	4.31
witzerland	2.46-2.47/2	246-247612	llų-1 c pm .	5.48	31 <u>-27</u> 5m	4.87

	is for convertible 12-month 1.27-1		franc 62.45-62.5	5. Str-#	onth forward do	0.96 valler
DOLLAR	SPOT-F	DRWARD A	AGAINST TI	Æ DO	KLAR	
May 14	Day's spread	Close	One month	% p.z.	Tiree months	% pa
UK† Ireland† Canada Netherlands .	1.6675-1.6790 1.4890-1.4980 1.3365-1.3394 2.0090-2.0240	1.6775-1.6785 1.4965-1.4975 1.3380-1.3390 2.0130-2.0140	0.27-0.24c pm 8.62-0.57c pm 0.07-0.10c dis 8.33-0.29c pm	1.82 4.79 -0.76 1.84	0.63-0.58 pm 1.45-1.30 pm 0.30-0.33 dm 1.07-1.02pm	1.44 3.69 -0.94 2.07

_						
May 14	Day's spread	Close	Que month	% p.z.	Three mostles	% pa
UKt	1,6675-1,6790	1,6775-1,6785	0.27-0.24c pm	1.82	0.63-0.58 pm	1.44
irelandt	14890-14965	1.4965-L4975	0.62-0.57c pm	4.79	1.45-1.30 pm	3.69
Canada	1.3365-1.3394	13380-13390	0.07-0.30c dis	40.76	0.30 0.33 de	-0.94
Nesherlands .	20090-20240	20130-20140	0.33-0.29c pm	1.84	1.07-1.02sm	2.07
Beiglum	36.99-37.23	37.00-37.10	20m-1 c dis	-0.26	3pm-2 ds	-0.05
Denmark	6.7012-6.7512	6.72-6.72/2	1.40-1.90ore dis	-2.93	4404.90 ds	-2.69
W. Germany .	1,7825,1,7955	1,7865-1,7875	0.54-0.53pf pm	3.52	1.61-1.56pm	3.54
Portugal	1385-1394	1351-1394	85-115: dis	-8.62	260-310 ds	-8.19
Soale	125.00 125.01	125.10-125.20	85-125c dis	-10.04	260-320 dis	-9.25
Italy	1291-1301	12921-12931-	2.00-3.50 tre ds	-292	8.00-10.0065	-2.78
Nontar	6643-6683	6641-6654	4.00-4.30 are tile	7.46	12 10 12 40 ds	7.34
France	5994-5994		: 0.55-0.75c ds	-2.30	: 1.50-1:80-dis	3.10
Supple:	624-6274		1.25-1.35om dis	2.49	.3.75-4.00 dis	-2.47
1000	139.15-140.10	139.45-139.55	0.40-0.37v pm	3.31	1.24 1.19 pm	3.48
Antiria:	12.55.12.65		3.20-2.90em pm	2.90	9.50-8.50 des	- 2.86
	1.8650-1.4770	14685-14695	0.50-0.45c pm		1.29 I.24 sm	3.45
+ UK and Irela	ed are quoted in U	S currency. Forms	ed previous and d	SCOWALS A	pply to the US do	No: 20d aci
to the individu	al correccy. Belo	des rate is for co	overtible francis. F	ionecial (	ranc 37.20-37.3	D.

to the individual			·		al franc 37.20	<b>37.30.</b>		FONTH EL		ur .	
EURO-CUI	Short term	7 Days' notice	One Month	Tiree Months.	Six Months	One Year	Jone Sept. Dec. March	Close 92.65 92.09 91.83 91.66	High 92.57 92.14 91.87 91.69	LOW 92.61 92.05 91.82 91.64	Prev. 92.62 92.11 91.85 91.68
Sterling	84.852 63264 7-74 47-5 5-13 32-313 8-85 9-11	82-82 64-63 7-74 47-5 14-13 32-33 82-82 9-109	82-811 611-612 72-74 5-54 31-34 32-313 8-84 94-104	82.48 71.74 74.8 5-51 34-34 34-34 84-84 94-104	8484 74-74 8482 54-54 38-38 34-34 84-84 94-104	811-811 751-713 81-9 5-5% 37-4 37-37 82-814 10-10%	Jume Sept. Dec., Mar. Estimates inc. 30,51	91.51 91.37 91.23 91.09 Weltame 7,4 15 G30,243	91.55 91.39  180 (5,853	91.49 91.33  OPrevious	91.51 91.35 91.19 91.03
B, Fr, (Fig.) B, Fr, (Con.) Yen D, Krone Asian \$Stog	64-63 65-63 34-31 <sub>2</sub> 20-101 <sub>2</sub> 3-344	67-71- 67-71- 32-35 101 <sub>2</sub> -11 N/A	712-72 7-74 312-312 10-10 <sup>2</sup> 2 42-44	72-74 7-74 311-317 10-10-2 41-44	73-73 63-63 3]]-34 102-105 44-43	74-78 77-75 3H-3H 103-103 41-42	Sign.	Close 90-31 90-02 Volume 7	High 91-19 90-16	Low 90-23 90-02	Prev. 90-30 90-02
Long-term Ea per cent; five ye Yen; others, tw	o days, node ars 6,2°-3,5 be	er cent nomina E.	i. Short-term	ree years 81 <sub>2-</sub> 1 rates are call	P <sub>s</sub> per cent; fo for US Dollars	our years 8½-9 ; and Japanese	CURR	ENCY  S (FORE)	int 5,761 FUTUE	(5,364) RES	

EXCH	EXCHANGE CROSS RATES										
May 14	£	\$	DM	YEN	F Fr.	S Fr.	H FL	Lina	C \$	B Fr.	
£	1.	1.678	2.998	294.1	10.01	2.465	3376	2170.	2,247	62.05	
	0.5%	1.	1.786	139.5	5.962	1.469	2013	1293.	1,339	36.98	
OM YEN	0.334	0.560	1.	78.10	3.338	0.822	1127	723.8	0.750	20.70	
	4.272	7.168	12.80	1000.	42.74	10.53	1443	9267.	9.598	265.1	
F Fr.	1.000	1.677	2.996	234.0	10.	2.464	3.376	2168.	2.246	62.02	
S Fr.	0.406	0.681	1.216	94.97	4.059	1	1.370	880.1	0.911	25.17	
H FL	0.296	0.497	0.887	69.31	2962	0.730	1	6423	0.665	18.37	
	0.461	0.773	1.382	307.9	4612	1.136	1557	1000.	1.036	28.60	
C S	0.445	0,747	1.334	104.2	4.63	1.097	1.503	965.6	1	27.62	
B Fr.	1.612	2,704	4.831	377.3	16.12	3.973	5.443	3496.	3.621	100.	

Yen per 1,000: French Fr per 10: Lira per 1.00

O: Belgian Fr per	_	3.821   200.	Dec. Estimated v Previous da	1.6680 Name 1 9's oper	(1)6) int 353 (2	- 1.69 62)	58
FT LONDON	INTE	RBANK FIXE	lG				
(11.00 a.m. May	14) 3 m	cetts U.S. dollars		6 800	ths U.S. dol	ters	_
bid 74	Ī.	offer 7%	bid	77		otier 7½	_
The fising rates are Flored rates for \$10	the arti	hmetic means, roo	nded to the a	egrest (	ne-skiteeni 11.00 a.m.	h, of the bid	ı

The backs are National Paris and Morgan Gua MONEY RATES	menty Trans.	r Sank, Bân	k of Tokyo,	Deusche Ba	nk, Banque	Mationa
NEW YORK (Lanchtime) Prime sate	8 Th 8 Sb	e month	<u> </u>	.97 Three .30 Four y .70 Five y .10 Seven .96 10 year	Bonds	
May 14	Overnight	One Month	Two Months	Three Months	Şix Montes	Lomb
Franktert	3.55-565 83-83 8-14 53-54 315625 94-104 530	3.70-3.80 84-84 3-34 54 3.78125 104-104 7-6-7-4	3.70-3.80 84-84 	3,70-3,80 84,-82 3-34 5-1 3,71875 10-10-1 73,-73	3.75-3.85 8½-8½ —	12. 1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.

to liquidity ove target of LONDO	N MONEY RA	TES			
TONDO			<u> </u>		
nt, after the	ay 14 Over- night	7 days notice	Month	Three Months	
Bundesbank Local Author 55 per cent, Company Do nimum bid Fazace Box	ority Deposits.  rity Boots	81-82 87: 87: 80:	57-82 51-60 54 54 55 57 57 57 57 57 57 57 57 57 57 57 57	511-511 511 511 511 511 511 511 511 511	7

Transary Bills (self); one-month 813 per cent; three-months 82, per cent; Bank Bills (self); one-month 84, per cent; three months 81, per cent; three months 81, per cent; three months 81, per cent; Transary Bills; Average tentier rate of discount B.4961, p.c. ECGD Fixed Rate Sterling Export Finance. Make up day April 30, 1987. Agreed rates for period May 26 to June 23, 1987. Scheme I: 1.2 p.c. Schemes II & III: 12.1.1 p.c. Reference rate for period April 10 to April 30, 1987. Scheme IV: 9.8-3 p.c. Local Authority and Finance Houses seem days ocioe, eithers seven days forded. Finance Houses Base Rate 10 per cent from May 1, 1987; Bank Deposit Rates for sums at seven days notice — per cent. Certificates of Tax Deposit Series by Deposit E100,000 and over held order one month 8 per cent; one-three months 82 per cent; three-dix months 85 per cent; sheeld ander Series 5 104, per cent. Deposits withdrawn for cash 5 per cent. Deposits withdrawn for cash 5 per cent.

#### FINANCIAL FUTURES

# Gilts and bonds disappointed

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.35. April average 142.86. Exchange rate index 226.8 against 286.2 six months ago.

Trading was relatively subdued in Tolong as traders availed the poils published in the UK yesterday were good for the Conservatives and therefore were expected to be encouraging for the market.
The pound was firm and an overnight rally in US Treasury bonds also helped support long-term gill fatures, but dealers said this was support-lived.

June long-term gill futures adverse impact on the attractives.

the Japanese Finance Ministry
trging dealers to refrain from
speculative trading in dollars.

The March trade deficit was
expected to be slightly better than
the previous months but a disannointing figure would pre-LIFFE LINE SILT FUTURES STRING
STRING CARS - Last Prices - Last
Price Jane Sext Page - Last
Price Jane Sext Page - Sext
120 7.02 7.42 0.00 0.50
122 5.02 6.08 0.00 1.16
124 3.04 4.49 0.02 1.57
126 1.22 3.39 0.20 2.47
128 0.22 2.38 1.20 3.46
130 0.03 1.55 3.01 4.63
132 0.00 1.21 4.62 6.29
134 0.00 0.56 6.62 8.00
Extinated volume total, Calls 12.85 Pris 2.084
Previous cay's open int: Calls 2b,887 Pets 16,309

> 0.25 2.10 4.60 7.20

Close High Low 91.57 91.40 91.52 91.57 91.59 91.55 91.61 91.44 91.57 91.25 91.28 91.23 91.30 91.34 91.10 90.97 90.95 et Volume 3.877 (4,621) 5 day's open Int. 27,070 (27,030)

Spot 1-mets. 3-mets. 6-mets. 12-mets. 1.6780 1.6810 1.6845 1.6878 1.6933

Latest High Low Pres 1,6750 1,6775 1,6685 1,6670 1,6700 1,6740 1,6645 1,6600 1,6720 1,6665 1,6600 1,6680 — 1,6600

High Low 16687 16655

ûse Yezr

IMM-STERLING SA BER E

LIFFE-STERLING 525,800 \$ per £

Strike Price 1.600 1.625 1.650 1.675 1.700 1.725 1.750

THERE WAS a little disappointment on the London International Tuesday.

Financial Futures Exchange yesterday to economic news from Rritain and the US.

It was noted that the opinion polls published in the UK yesterday were good for the Conservatives and therefore were expected to be encouraging for the market.

Tuesday.

There was a little selling after unchanged at 91.37, with traders saying the market was poised between the present rate structure and a cut of ½ per cent in with expectations, but less than some forecasts.

Dealers suggested the weak close reflected predictions that to be encouraging for the market.

LIFFE US TREASURY BOND FUTURES OFTIONS

5.40 7.00 8.80

CHICAGO

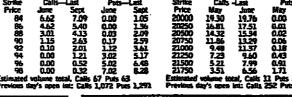
The US trade deficit of \$13.6bn in March, compared with \$15.1bn in February, was also in line with expectations, but was a disappointment following the more optimistic forecasts of around \$11bn, and resulted in a decline in US bond futures.

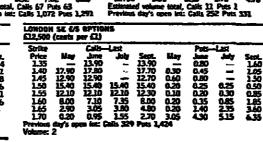
June bonds opened at 91.08, and short-lived.

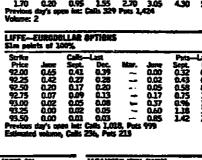
June long-term gilt futures adverse impact on the attractiveopened at 127-04, and traded ness of longer-term government
within a range of 126-28 to 127-17, debt.

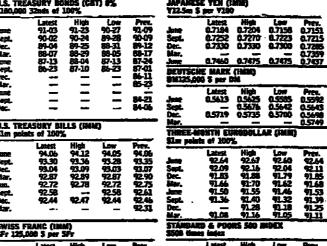
Three-month sterling deposit after touching 91-19, fell to a low of 90-23, before closing at 90-31 little changed

unchanged at 91.37, with traders saying the market was poised between the present rate struc-









# **Bank of Scotland Visa Card Interest Rate**

Notice to Cardholders

Bank of Scotland announces a decrease in the monthly rate of interest charged to Bank of Scotland Visa Cardholders from 2% to 1.75% (equivalent to an APR of 23.1% for purchases and, typically, 23.6% for cash advances)

Interest calculated on the daily balances left outstanding from statements issued in June will be charged at the new rate and shown on cardholders' statements issued from 1st July, 1987.

Bank of Scotland Visa Centre, Dunfermline, Fife, KY99 4BS



#### **BANK OF SCOTLAND** A FRIEND FOR LIFE

#### Company Notice

To the Holders of

#### MIDDLETOWN TRUST 101/2% NOTES

NOTICE IS HEREBY GIVEN that, pursuant to Article Eleven of the General Covenant, for the Sinking Fund due July 15, 1987 US\$6.450,000 of the Notes will be redeemed at 100% of their principal amount plus accrued interest to July 15, 1987, when interest on the Notes redeemed shall cease to accrue. Following the above redemption, US\$55,710,000 Series A Notes, US\$102,885,000 1072% Notes Series B due 1998 and US\$37,205,000 1134% Notes Series C due

The redemption price and accrued interest are payable against surrender of the Bearer Notes together with all coupons maturing subsequent to July 15, 1987 at the offices of the Paying Agents outside of the United

The Chase Manhattan Bank, N.A., Chase Manhattan Bank Woolgate House, Coleman Street, London EC2P 2HD.

47 Boulevard Royal Luxembourg Ville. Chase Manhattan Bank

Banque Bruxelles Lambert, Avenue Marnix 24, 1050 Brussels.

(Switzerland) Genferstrasse 24, 8027 Zurich,

The redemption price and accrued interest on the Registered Notes are payable at the office of the Registrar. Transfer Agent and Paying Agent, The Chase Manhattan Bank, N.A., Corporate Trust Administration, 1 New York Plaza. New York. New York 10081 A further notice will be published specifying the serial numbers of the

Bearer Notes called for redemption.

THE CONNECTICUT BANK AND TRUST COMPANY NATIONAL ASSOCIATION,

# SWORLD VALUE OF THE DOLLAR BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, May 13, 1987. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign correncies

CURRENCY

Bank of America Global Trading, London New York, Tokyo, San Francisco, Los Angeles, Toronto 24-hours a day trading capability.

, and neither Bank of America NT & SA o	or the Financia
ECU=\$US1.15642 \$DR1=\$US1. As of May 13, at 11.00 a.m.	30241

VALUE OF DOLLAR

Eurodollar Libor: Enquiries: 01-634 4360/5. Dealing: 01-236 9861. Sibor:

صحب بسنده ود	- Algert W	- 3000	[ LECTRIC	. Phone?*	1.6655	Papua New Guinea	. Kina	
Albania	Lek	6,0643	Greece	Drachera	133.78	Labor Men Offices		0.8937
Algeria	Dieser	4.63	Consultant	Series V		Paraguay	ensustu (6)	240.00
	(Enorth Sound "	5.9968	Street,	Sansi Kroile	6.754	Paraguay	.{Guzrani(p)	550.00
Andorra	Trible Franc		CLEUZOS	E. Caritocan Ş	2.70		(Guarani (d)	783.50
	(Spanist Peleta	125.81	Guadaloope	. Franc	5,9968	I .	(let) (c) (d)	15.22
Arryota	Kwanza	29.918	Grecada	u.s. s	1.00	Perso	1100	77.22
Antiqua	E. Caribbean S	£ 2.70		(()	100	Pers	1100 07	23.25
Antique	Austral	1.583	Cestemata	Control (b. d)	263	Philippines	CHEE ELS	19.025
Aruha	Floris	1.79	Coines Bissan	(desired raf to		Philippines	Peso	20.48
Aruba	Paris -	1,3954	CORRES SESSION	Peso (3)	650.00	Pricalm Islands	N.Z. Dollar	1.7268
AUSTRIAN	Licitor		Pulman Grandilla	( Franc	340.00	Poland	Ziety (e)	248.70
Austria		12.63	Goines Republic	l Franc (ii)	300.00	Poland	Erando	
Azores	Portuguese Escudo	13923	1 Garagna	( Dollar	10.00	Puerto Rico	11.6.6	139.23
		4	,,	10-0 4-3		reerw Kico	0.3. 3	1.00
Balamas	Doller	1.00		COCIAT CE	\$0.00	l	<b>-</b>	(
Baltrain	Diese	0.3769	Haiti Hooduras Republic ,	COMITE	5.00	G2627	Riyal	3.641
Balearie Islande	Samulah Basaka	125.81	HOMBUTAS REPAIRS	Lempira (g)	2.00			
Danca of chests -	Shanda Leadin		Hong Kong	Dollar	7.804	Reenion Isle de la	French Franc	5.9968
Bangladesb	iaa	30.90	Hong Kong	Forist.	47.109	l	(Leu (o)	4.08
Berlados  Belize  Berlize  Bernin  Berninus	Dollar	20123	ſ		1 7	Romania	(Lan (e)	10.05
Calalina	(Franc (c)	37.248	lociand	Kenea	38.63	Rusanda St. Christopher	E	
	LFranc (D	37.455	India	Proces	12.70	KWGARGA	Franc	78.8612
Relize	Dollar	200	fariancie	S-risk	1640.00	į St. Christopher	E. Caribbean \$	2.70
Danie	OF A F-res	299.84	Indonesia	Kahma		St. Helena	Pound*	1.6655
Derug	C.F.A. FIEE		Iran	(4) (4)	70.8684	St. Locia	E. Caribbean S	2.70
DELINGUE	Utilizer .	1.00	17 <sup>24</sup>	Dinge	0.3109	St. Pierre	French Franc	5.9968
Bhutan	Ngoltrupi	12.70	I Irish Republic	Pant*	1,489	St Vincent	E Carlbbana C	2.70
Belivia	(Boliviano (c)	2.01	israel	New Shelet	1.5875	Sames (Mercera)	T-J-	2.70
	l Boltviano (f)	2.017	Hale	lies .	1297.10	Serios (Trescend	100	2.121
Botskana	Buta	16598		College Coll		Samoa (Am) San Maripo	US \$	1.00
Davil	County (a)(%)	29.445		node (8)	5.48	San Maripo	italian Lirg	1297.10
073/2U			7800	Yes	140.21	São Tome & Princip DR	Dobra	34,7431
Brunel	DOUBLE	2123	Jordan	Dinar	0.332	Saudi Arabia	Rival	3.751
Bulgaria	Lav	0.8715	iria	Riel	82	Sandi Arabia	C.F.A. Franc	299.84
Burking Faso	C.F.A. Franc	299.84	Komes	Chillen (1)	15,928	Courteller	Dunas	577.00
Burne	Kyat	6.5329	Windows!	Australian Author		307416163	nupee	5.5547
Remedi	Erter	94,2092	War and Market	Washington Confe	1.3984	Sierra Leone	Leone	48.00
	C. 1800		Mores (Morus)	WOR	0.94	Singapore	Dollar	2.123
Самегоно Rp		299.84	Kenya Korkati Korea (North) Korea (South) Korea (South)	Woo	631.10	Singapore Solomon Islands Somali Republic	Dollar	1.9763
Carrierous ros.	C.F.A. Franc		Kunnak	Disar	0.2706	Somali Republic	Shitting (d)	120.20
Canada	DOHER	1.3386			35.00	South Africa	(Pant /f)	3.2258
Canary (stands	Spenish Peseta	125.81	Lebanon	Control of the last of the las	117.00	South Africa	Door (c)	2.0145
Cape Verde Islands	Escado	72.405	Leastha	Profession		P!-	Parents	
Cayman Islamis Central Africa Rep	Dollar	0.835	LESSON	Maios	2.0145	[ 205W	r'eseta	125.81
Central Africa Ren	CEA Error	299.84	Liberia	Dollar	3.00	Spanish ports in		l .
	OF A F	299.84	ورقا	Char	0.2953	North Africa Sri Lanka	Spanish Peseta	125.81
Chad	Franciscone :		Liachteastein	Switz Franc	1.477	Sri Lunica	Rupee	28,975
LFIIP	Peso LOI	214.16	Lucentoury	I considerate frame	37.248		(Pound In)	2.45
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Colombia	Peso (a)	236.25	Nacao	Patera	8.0381	2005H HEDRING	) Composition	2.93
Comeres	C.F.A. Franc	299,84	Madagastar Det. Rp.	E-tank	675.779	Surinam	LPOURD (I)	4.00
Conno Decoder Ben of	CEA E	299.84	Madeles	Party Co. de		Suriram	Guilder	1.785
condo Leobse 2 instrute	G.F.A. PROC.	477.07	Madeira	LOUGHER FICEDS	139.23	Swaziland	Lilangeni	2.0145
Costa Rica	Color	61.33	Kalawi	Kwacha	2.2287	Sweden	Kropa	6.271
Case d'Ivoire	C.F.A. Franc	299,84	ــــــــــــــــ علورجاهاا	Rinealt.	2.4735	Emitso-land	E	
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Cuba	Barneto	2.0947	Mall Bandile	C T A C	299.84	\$YTI\$	Pound (Q)	3.925
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	NOTURE (9)	333	MOR	LP3"	2,9283	19:44u ***********************************	Dough (D)	32.44
			Martinique	Franc .	5,9968	Targania	Shiilang	59.846
Denmark	Krone	6.754	Martelque	Occurso	74.80	Thailand	Saht:	25.59
Denmark	-Franc	177.00	Macritius	Bross .	12,637	Togo Republic	CFA Some	299.84
Cominica	F Carlbhann &	2.70	Man (1913)	(Dans (d)		Town Islands	Defense	
صابقى ورجسا كالساد	(Bee-	131	Mexico	१ टबर क	1220.00	Tonga Islands Trizidad & Tobago	ra chiga	1.3984
Dominican Republic	{ <u>r</u> =0			(Pess (e)	1217.95	inerged & 100550	DOKE.	3.60
	(Peso (6)	329	Miquelan	Franch Franc	5,9968	Tunisla	Dinar	0.811
	(c (d)	178.50	Mongolis	Crearly Error	5.9968	Tunisla	Lira	802.85
Ecs <b>id</b> er	Same in	4:039	Manage	Tuesda del	3.7700	Turis & Calcos Islands .	HE C	
	(Stocke (I)	154.50	many manuacture,	INDIAE (D)	3,3555	10 -3 G CELUS 13 6 105 .	ua <b>a</b>	1.00
F4	(Pound (a) (5)	0.70	140408148 ***********************************	E. Caribbean S	2.70	1045 h	Australien Dollar	1.3984
Egypt	1 Popul (d) (5)	23677	Moreon	Dirham	8.27	Tuvalv	Stilling (()	1358.80
	tropic to		Marmhlant	Matlant	202.00	Unked Arab Emirates	Diebom	
El Salvador	Traight (a)	\$.00		-		United Kingdom	Dayed Charles	3.673
	(Colon (d)	5.00	Namibia	S. A. Rand	2.0145	CHILD NIGHTON	- con setting.	1.6655
Couamrial Guinea	C.F.A. Freet	299.84	Nauru (clands	Australiae Della-	1 3984	UruguayUSSR	reso (m)	211.50
Ethiopia	Bler (o)	2,0745	Nepal	Proce	21.00	U55K	Rouble	0.629
	I	, —	Name and a second	P. U.S.		Vanuatie	Vatu	109.028
aeroe Islands	Produk Marks	6.754	Netherlands	<b>CUITOR</b>	2.024	Vallege	T	
	Personal Paragraph		Netherlands Antilles	Gidler ·	1.79	ACTION AND AND ASSESSMENT	Fng	1297.10
falkland Islands	Pound*	1,6655	New Zestand	Calles	1.7268		(Bolivar (o)	14.50
7ij	Collar	1.0654		#Candaha		Venezuela	Boliver (n)	7.50
ialand	Markka	4365	M7	Adda and a second	900.00		Bolivar (d)	26.85
inland	France	5,9968	Nicaragua	(Cordoba (o)	70.00	Venezuela	Secondar (D)	
Total Marie Control	rigis	BOA AA	-	Cordeba (d)	1700.00		nood (9)	80.00
TENCH C'O' III AINCH	C.P.A. Priese J		Niger Republic	C.F.A. France	299.84	Virgin (Hands (British) .	US \$	1.00
renck Gulana	Franc 1	5.9968	state trabata	Chinha Int	4 0402	Alton (Names (N2)	USS (	1.00
rench Pacific (slands	C.F.P. Franc.	209.033	Nigeria	lutars ini	9.0903	Versen	61.4	
			Managaran	(Q) snieMj	3,5088	Yemen PDR	Kiai	9.50
Skan	C C A Cross	29484 }	Manager 1	V	4471	Yemen POR	Dinte	∩ 742

0.385

Confident tone in London

THE DOWNWARD TREND in London money market rates was renewed yesterday, in favourable. reaction to the latest public opin-ion polls, giving the Conservatives a substantial lead over the opposition parties.

This boosted sterling on the foreign exchanges, and encouraged a downward drift in London interbank interest rates. Threemonth money fell to 813-82 per cent from 878-874 per cent. Mr James Baker, US Treasury Screentry, said he believed the recent rise in US rates was "a form. temporary blip upwards," and

UK clearing bank base lending rate 9 per cent since May 8

yesterday's US trade figures were yesterday's US trade lightes were generally in line with most fore-casts. Economists had predicted a rate to 3.50 per cent, to deficit of about \$12bn to previous fixed level of March delicit of about \$12bn to \$14bn, compared with \$15 lbn in February, and the published figures of \$13.6bn had little impact on the market.

added to the confident tone in the

The Bank of England forecast a money market surplus of £100m. The authorities did not operate in the market before lunch, but in the afternoon sold £120m Treasury bills, due May 21, at 81/2.8% per

repayment of late assistance and a take-up of Treasury bills drained £115m, with a rise in the note circulation absorbing £95m. These outweighed Exchequer transac-tions adding £320m to liquidity

In Frankfurt call steady at 3.60 per cen German drained liquidity at Tr day securities repure ment tender. The E allocated funds at 3.5

Bids of DM 9.5bn were accepted at the tender, compared with expiring agreements of DM

12.4bn. A fall of 19,600 in April UK
unemployment was in line with bills was cut to 3.20 per cent from expectations, taking the jobless fluure down to slightly over 3m, or the floor level for call money. figure down to slightly over 3m, or the floor level for call money.

10.8 per cent of the workforce, but these bills to banks at times of surplus liquidity in the market.

#### FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	Wednesday may 13 1967					TUE	SDAY MAY 3	2 1987	96	LLAR IND	EX
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1967 Lee	Year ago (approx
Australia (94)	138.51	-0.1	122.86	129.30	2.77	138.61	123.05	128.70	338.63	99.92	91.77
Australia (74)	89.81	-0.8	79.66	83.66	225	90.50	80.35	83.97	101.62	89.81	90.2
Belgium (47)	121.07	+0.5	107.39	11151	4.26	120.48	106.96	110.97	122.35	96.19	81.96
Carada (131)	130.96	+0.0	116.17	126.98	2.35	130.99	116.29	126.68	136.17	100.00	99.9
Belgium (47) Canada (131) Denmark (39)	117.35	-0.4	104.09	107.69	2.48	117.78	104.56	107.69	124.10	98.18	101.12
France (122)	120.05	-0.5 ·	106.49	112.43	2.46	120.71	107.16	11313	121.82	98.39	95.42
France (122)	94.35	+0.7	83.69	87.80	213	93.73	83.21	87.12	100.33	84.00	86.2
Hone Kone (45)	107.95	-0.6	95.76	108.16	3.05	108.57	96.39	108.75	114.71	96.89	73.13
Hong Kong (45) Ireland (14)	129.83	4.0+	11516	122.43	3.48	129.07	114.58	12161	131,44	99.50	94.0
Italy (76)	104.59	-0.9	92.77	101.11	1.63	105.55	93.70	101.84	iizii	94.76	101.2
Italy (76)	158.33	-1.4	140.44	139.82	0.47	160.56	142.54	141.58	161.28	100.00	75.9
Majaysia (36)	157.59	±15	139.79	150.04	2.53	155.26	137.83	147.66	157.59	98.24	70.3
Mexico (74)	162.35	+1.5 -3.1	144.01	276.55	101	167.54	148.74	22311	197.27	99.72	50.21
Malaysia (36) Mexico (14) Netherland (38)	117.79	+60	104.49	108.41	410	117.76	104.54	108.27	118.24	99.65	85.3
New 7ea(and (27)	93.84	-1.7	83.24	86.40	314	95.42	84.71	87.73	100.59	83.93	67.0
Norway (24) Singapore (27) South Africa (61)	132.64	-0.4	117.65	120.22	2.10	133.13	118.19	120.25	139.79	100.00	93.1
Singapore (27)	132.28	+2.0	117.34	129,42	183	129.63	115.08	126,79	132.28	99.29	60.7
South Africa (61)	171.72	+0.2	152.32	12110	3.29	171.30	152.07	120.80	186.74	100.00	94.8
Spain (43)	108.36	+0.5	96.12	103.10	3.97	107.80	95.71	102.29	121.31	100.00	92.2
Sweden (33)	118.37	-11	105.00	109.87	211	119.65	106.22	110.75	124.68	90.85	91.0
Switzerland (51)	100.35	+0.0	89.01	91.51	188	100.36	89.10	91.28	104.06	93.26	85.3
United Kingdom (339)	144,41	+11	128.10	128.10	3.24	142.88	126.84	125.84	144.41	99.65	98.6
United Kingdom (339) USA (596)	120.33	+0.2	106.74	120.33	2.99	120.05	106.58	120.05	124.06	100.00	99.6
Europe (932)	120.90	+0.5	107.25	110.37	2.85	120.35	106.84	109.84	120.90	99,78	93.5
Pacific Basin (687)	155.70	-1.3	139.11	138.25	0.61	157.78	140.07	139.87	158.30	100.00	76.3
Euro-Pacific (1619)	141.82	-0.7	125.80	127.13	1.38	142.84	126.81	127.91	143.22	100.00	83.1
North America (727)	120.89	+0.2	307.24	120.71	2.95	120.63	107.09	120,43	124.60	100.00	99.69
World Ex. US (1825)	141.77	-0.7	125.76	130.07	1.43	142.75	126.73	130.22	143.09	100.00	83.80
World Ex. UK (2082)	132.31	-0.5	117.36	124.45	1.85	132.99	118.07	124,98	133.33	100.00	89.2
World Ex. So. Af. (2360)	133.14	-0.4	118.10	124.78	1.97	133.63	118.63	125.14	133.85	100.00	89.9
World Ex. Japan (1963)	121.53	+0.3	107.80	117.26	2.92	121.19	107.59	116.89	121.53	100.00	96.7
The World Index (2421)	133.39	-0.4	118.32	124.78	1.98	133.87	118.85	125.14	134.11	100.00	90.0

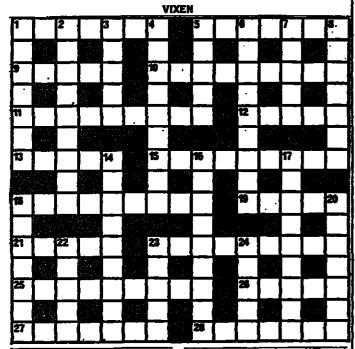
#### EUROPEAN OPTIONS EXCHANGE

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		Ma	y 87	Ju	п 87		1 87	,
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# FT CROSSWORD PUZZLE No. 6.327

C=Call



- ACROSS

  1 Just punishment for rats (7)

  5 Cleaning the floor, many work with little sound (7)

  9 Ugb contoners will always
- make some progress (5)

  10 Bond, given a welcome, set about the guys! (9)

  11 Free Romans—yet in retreat
- (9) 12 More could be no longer call-
- such minumour (9)
  19 Few stagger around when merrymaking (5)
  21 State one had to return the duck (5) 28 By the way, they're directors
- (4-5) 25 Ride in—not to make a deliv-
- ery (9)
  26 Very little of the new cult radically affects anyone (5)
  27 Model of perfection in quiet area of Spain (7)
- 28 Settle down-payment (7) DOWN
  1 Tom, a rod-wielding much-abused man (7)
- 2 An alien about 50—a killer 3 "Where the virgins are soft as the - - - they twine." Byron (Bride of Abydos) (5)

- 4 Same agent, different pseudonym (5-4)
  5 Unite to do some damage to the railway (5)
  6 A poser before a nurse (9)
  7 Putting a writer up in it is not at all appropriate (5)
  8 Received money and a part of Scandinavia (7)
  14 File round and round—such skilled work (9)
- (9)

  12 More could be no longer calling back (5)

  13 Shout of encouragement received by a man who is sober but vacant (2, 3)

  15 Left a company, having done badly (9)

  18 On reflection nothing in certain craft should give rise to such ill-humour (9)

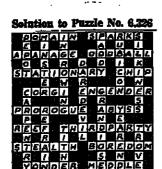
  19 Few stagger around when recomplished to such ill-humour (9)

  19 Few stagger around when recomplished to such ill-humour (9)

  20 An American sailor bearing right (5)

  21 Rule to do with soldier back-

  - 23 Rule to do with soldier backing new leader (5)
    24 Decline unsatisfactory
    neighbourhood parking (5)



# **BASE LENDING RATES**

		%		%		%
	ARM Back		Charterhoese Bank		Morgan Greafell	
	Adam & Company		Critical NA		Mast Credit Corp. Ltd.	
	Afficial Arab Bis Ltd		City Merchants Bank		Nat Bk. of Kingail	
	Alled Derber & Co		Chydestale Basis		Nat Westmania	-
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	American Exp. Bk		Consolidated Cred	_	† Hornich Ges. Trest	_
	Apro Bask		Co-sperathe Bank	-	PK Flows, and (UK)	
	Heavy Austracher	ģ	Cypres Popular Bk		Provincial Treat Ltd	
	ANZ Banking Group		Dancas Laurie		R. Rapkael & Sons	_
	Associates Can Corp		E.T. Trest	-	Rozburghe G'rantee	
	Authority & Co Ltd		Ecuativil TetC'o pla		Rosal Elect Scotland	
	Sanco de Silizao		Exercise Timos List		Ronal Trust Bank	
	Bank Happatinu	9	Florancial & Gen. Sec		Smith & Wison Secs	_
	Bank Lessai (UK)		First Nat. Fis. Corp	-	Special Charterel	
	Bank Credit & Comes	9	First Hat. Sec. Ltd.		Trustee Savious Bolt	
	Back of Corps	ģ	Robert Fleming & Co		UDT Mortgage Exa	
	Sank of (related		Robert Frazer & Ptrs		United Sk of Warrald	
	Sank of India	ģ	Girobask	9	United Mizzahi Bank	9
	Bank of Scottand	9	Grindleys Bank	19	Linky Trast PLC	9
	Banane Beige Ltd	9	Galance Makes		Weston: Bank, Corp	
	Barclans Bask		HFC Trest & Savings	ġ	Waterney Laidlar	_
	Seechmark Tst Ltd		Handro Bank		Yorkshire Bank	
	Beseficial Trest Ltd	-	Heritable & Gen. Tst	-		•
	Berliner Bank AG		● Hill Sarmel	-	• Members of the A	
	Brit Bloof MEd East		C. Hoare & Co		Houses Committee. deposits 4%. Savewise	*7-
•	Brown Shipley		Hongkoeg & Shangh		Top Tier—£2,500+ at 3	
_	Business Maye Tst		Lloyds Bank		notice 7.97%. At ca	
	Cl. Back Nederland		Mase Westner List		£10,000+ renteles d ± Call deposits £1,000 a	
	Casada Personnell	-	Mechral & Sees Ltd		42% grass. 9 Mortgage b	

# 125 reasons for contacting



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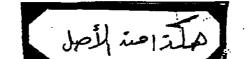
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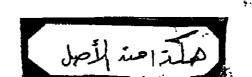
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Financial Times Friday May 15 1987 33 Hambres Bank Ltd 41 Enterspac, London, EC2 Hambre Pacific, Found Hige 2110 Companyla Creme, Hang H Jackson Fel Hay 13. —313 61 Sales Found Hay 8. —363 18 Janes Found Hay 8. —353.54 BRITISH FUNDS—Contd FOREIGN BONDS & RAILS—Contd Stock
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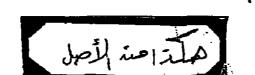
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MAY new 18,343.21 US\$21.94 | Corne Growth Triest | Manual Co. | Manual | Cody | -0.004 | 171 | 172 | 173 | 174 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | | Save & Presper International | PD Box 73, 5t Helies, Jersey | Post Box 73, 5t Helies, Jersey | Post Box 75, 5t Helies, Jersey | Aug. 12, 75 Describeraria
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# **LONDON SHARE SERVICE**

AMERICANS—Continued  1987   Price   + or   Div     Y18  Migh Low   Stock   -   Gross   Cret   Gris	BUILDING, TIMBER, ROADS—Cont	DRAPERY AND STORES—Cont.	ENGINEERING—Continued	INDUSTRIALS Continued	INDUSTRIALS—Continued
30	1987   High Low   Stock   Price   Het   Yad   Het   Yad   Het   Stock   Price   Het   Cry Er's PR   Het   Stock   Het   Stock   Het   Cry Er's PR   Het   Stock   Het   Het   Stock   Het   Het   Stock   Het   Het   Stock   Het	High Law   Stock   Price   -   Net (C**) 67*5   PE	High Law Stack Price - Net Cur Sris Price 34 23 Brown Err, 100 348 13.16 20 CShi 41 145 23 48 12.4 420 335 Barlingan 200 430 10.6 24 33 15.3 47 27 CL 100 43 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4	52 37 Allied Plant 50 491 -1 10 20 28 21.9	177 Un Qualities Thomass. 146
31 26 b Tenneco SS 28 3 m + 1 S3.04 5.5 187:2 129:4 10 10 10 10 10 10 10 10 10 10 10 10 10	309   McLarsh & Store 20s.   456     3.31   6.9   1.0   200   120   464     456     3.7   6   5.8   6   362   242   Magnet & Southerns.   357   41   15.2   23   2.0   29.5   350   356   Manters (Ridg)   356   100   1.9   42   17.1   155   123   Marker   165   Marker   16	ELECTRICALS	698 563 December Groun 50 660 1263 23 34 127.0 148 114   Da.Com/Ra/P 50 141 60 - 5.9 - 77. 26 Chrysy Hart 65 43 255 128 Chrysp Sep 500 25 34 27 9.0 32 5.1 8.1	135 60 Blaner Bia Sec. Sp. 106 -2 CL - 4.6 L3 \$\rightarrow\$ CAS Are Group FM 20 L344 CL - CL - 4.6 L3 \$\rightarrow\$ 200 63 Arg. Arican Fin 7t-g. 240 45 .25 4.7 L4 15.7 37 24 Angle Hords 22	185 110 Multiple Care 11/4 148 2.01 2.7 14 29.0 150 150 150 150 150 150 150 150 150 15
15-31 Using Carbots 51 189-561-18 51.50 - 51.5	385   268   Meyer   m.   383   -2   15.75 45   21 13.8   91 38   Miller (Stau) 10p   88   -2   1.25   1.1 1.9 63.1   449   360   Monten (I)   430   4   16.0 2.1 5.1 12.8   980   795   Newman Tonis   786m   772 1.6 5.4 15.4   17. 23.3   17. 23.3   18.0	332   AB Selection   548   15   33   30   13.5	"259 130 Cook (Wm.) 20c 178 194.5 3.1 3.6 13.6 13.1 13.6 13.6 13.6 13.6 1	144   112   Marter Sp	415 346 Macardin 200
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2712 1612 Eche Bay Mines 241 -12 20c — 0.4	1055 e75 Sindali (Wm) 1055 +105 12.0 52 1.6 12.7 119 88 Senar (L.) 10p 119 +1 64.75 15 15 16 15.0 52 15 15 15 15 15 15 15 15 15 15 15 15 15	660   560   Bowtherpe 10p.   660   681   40   16   193     190   100   Hanka 5a   188   40   187   9   1   112     207   151   Bertamas Sec. 10p.   202   +2   11.5   47   10   122     320   279   Bertama Sec. 10p.   202   +2   17.5   23   33   16.5     131   98   Bertom Box. Kert   131   184   33   25   37   12.6     229   159   Bertam Box. Kert   131   184   33   25   37   12.6     229   159   180   180   180   180   180   180     230   180   180   180   180   180   180     240   240   240   240   240   240     241   27   CASE Group 20p   121   -1   20.5   -1     241   77   CASE Group 20p   121   -1   20.5   -1	457 312 [Symed Int. 42/8] 111 0 30 131 133 132 233 (43) Exection 50. 139 1 20 31 21 183 302 238 (43) Exection 50. 139 1 10.05 24 47 112 148 140 (43) (43) (43) (43) (43) (43) (43) (43)	95 57 Barrow Hephum 99 +4 493.2 15 5.0 15.80 518.3 5131 Basser Trav. USS1 514 -2 0402 - 1.8 -	100   100
673b 408c WGranges Exploid	301 (127) 42 (1784) 546 (1891) 109 129 129 129 139 149 129 139 149 129 139 149 129 149 149 149 149 149 149 149 149 149 14	243   150   HOLD Monoysters No.   243   +5   1.8   6.4   1.0   20.9   74-7   36   HCPU Computer Sp.   74-   74-7   31.1   16.1   16.1   17-7   18.0   20.1   18.0   20.1   35.2   22.3   Cambridge Eirc.   312   -11   8.0   20.1   35.2   20.1   35.2   20.1   20.	637 446   Hanier Soldier   506   -12   Hall 1.13 3.2 2.6   16.5   68.6   42   17.0 0   44.6 0   68.6   42   68.6   42   68.6   42   68.6   42   68.6   43.6		58 46 Notion 52 123 118 123 118 124 118 125 126 No.Sett 10 125 125 No.Sett 10 125 No.Sett 125 No.
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	CHEMICALS,	405   328   CrayEll Front   109	620 498 394 Reposts 600 49 78 13 30 23 20.0 196 90 Managases Brusse 193 42 13.3 3.0 23 20.0 198 37 20.	329 227 Boots 301 -1 17.1 22 32 18.7 1304 125 807 W. USS2 50 - 527 2 - 2 USL00 - 22 -	165 117 b-PCT Grp 10a 160 -5 612 - 4.0 - 622 145 pp. 18 % 25 25 - 621 + 1
Might Law   Stack   Price   -   Net   Christ's   P/E	### PLASTICS  ### 128   Alco FL20	58 41 & Cazon Ind Sp 50 -1 1.05.2   2.7   9.2   7.1   50 Decision Ind Sp 56 -2 1.11   1.6   2.7   29.3   135   30   40 mass Elect   133   48   43.85   33   40   10.3   59   30   10 mass Elect   133   48   43.85   33   40   10.3   59   30   10 mass Elect   33   45   12.2   3.9   12.0   3.0	1071-2   14   Metalera 15-   1022-   263 27   35   14.6   277   127   128   42.6   27   3.5   14.6   28.6   27   2.6   27   2.6   27   2.6   2.7   3.5   14.6   3.6	268 206 Bridgort-G 200 240 -1 16.25 2.9 3.6 13.3 163 135 Bnerity Ims N2SO.5. 135 108.0 6.4 2.0 7.5 669 510 Brit. Aerospace 500 637 -1 17.4 2.6 3.7 13.9	275   411   Peerl Holdings 3n   1231   +11   -1   -1   -1   -1   -1   -1
*1188 E149-jAlgemene F1.100.	401 13 Azora Holdenes 59 405-18 0037 9 3.0 0 9 279 1 3.0 0 9 279 1	186 157 Hobilier 59 127 1-1 3.1 8.0 2.4 16.7 135 109 +Eating Electro 59 129 +1 2.2 + 2.5 + 520 383 [Electromps 109 498 -1 †6.25 3.6 1.7 21.9	311, 192 Priest (Ben) 50. 29 -7, 103 9.0 14 (779) 588 423 \ 0 to Bept Content of the 124 +20 (97.94 - 1.4 - 2.4 +2 1.4 +2	248 206 Britgori-6 20p 240 -1 (6.25 2.9 ) 3.6 13.3 183 135 Briefey Ins NZSO.5, 135 108, 108, 108, 108, 108, 108, 108, 108,	758 470 Pentand 10p 640a 5 127 35.8 0.3 15.2 (13 15 12 Protected Rep. 1 12 15 15 15 15 15 15 15 15 15 15 15 15 15
614     5111/3 Bank Leard     514       350     240     Bk-Leard (UK)51     350     12.4     4.9       515     375     Bark Scotland £1     515     +7     16.5     3.4     4.4     9.1       80     68     Bark of Wales     83     42.4     2.2     4.0     15.8       573     484     Bardays £1     548     +6     2.1     3.3     52     6.2       91     45     Bernimark 20p     82     1.63     1.8     2.7     28.3       603     558     Rosen Shinter £1     573     49.4     2.3     2.3	233 137 Carrier (W.) 273 at 17.5 3.7 2.8 13.2 2.6 2.3 13.2 2.6 2.3 13.2 2.6 2.7 2.7 2.7 2.7 2.7 2.7 2.7 2.7 2.7 2.7	60 48 Electronic Rentals 571/21-1/2 3.23 1.2 7.7 15.4 426 289 Emers Lightlen 426 426 Emers Lightlen 426 289 20 20 20 20 20 20 20 20 20 20 20 20 20	92 75 Penturus (Leist) 92-8+3 3.0 2.9 4.5 8.6 75; 486 Penturus (Trist) 92-8+3 3.0 2.9 4.5 8.6 9.2 12.7 Returns (Trist) 92-4 1.5 12.7 12.7 12.7 12.7 12.7 12.7 12.7 12.7	93 73 FCCA Galleries 10p. 88 -3 27 27 42 122 194 92 CH lenists 10p. 194 4-13 72-4 27 1.7 7239 190 157 9CSR ASI 164 -1 018- 1.5 4.8 14.0	164   15   15   16   16   16   16   16   16
135 101 Business Mort 751 125 15 17.2 17 11.3 440 200 Cater Allen 5 450 16 17.0 17.0 17.0 17.0 17.0 17.0 17.0 17.0	60 48 Hoetmar Group 59 2.0 2.3 4.6 12.7 299 221 Elits & Eurerat 299 4.8 115.9 12.3 2.2 2.2 2.3 2.3 2.2 2.3 2.3 2.3 2.3	86 64   Freetrack 109 78 +73   d.1.29 20   2.2 220   125   98   Ferrato 109 22   2.2 220   2.2 220   2.3 2	741) 46 Senior Engl 10p. 6792+1 2.0 24 3.9 14.7 17.3 225 Stores Engl 10p. 6792+1 11.5 \$4.6 \$\$4.6 \$\$4.6 \$\$4.6 \$\$1.15 \$\$4.6 \$\$4.6 \$\$4.6 \$\$1.15 \$\$4.6 \$\$4.6 \$\$4.6 \$\$1.5 \$\$4.6 \$\$4.6 \$\$4.6 \$\$1.5 \$\$4.6 \$\$4	76 61 3Camonech 10p. 74 -1 82.0 1 9 3.7 19.1 158 105 4Cbell & Protein 5p. 138 43 43.9 1.9 3.4 20.1 159 105 105 105 105 105 105 105 105 105 105	755 520 Rank (by 732 - 732 - 2 18.0 2.0 3.4 16.8 20 20 3.4 16.6 21 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
11	280 156 htarinant (J. 109 220 47 150 35 3.0 13.3 (3.12 3.12 3.12 3.12 3.12 3.12 3.12 3.12	239   184   CEC 50	510 570 TACE 100 470 +10 8.52 4.2 2.5 10.1 352 242 IT Grass 50p 351 +7 8.0 2.3 3.1 15.8 110 77 Teltra 20p 75 +1 3.6 1.6 5.2 14.1 130 123 74 Hdys 100 126 4.5 12.5 4.9 11.1 133 148 5-thornton (G.W.) 5n 168 1.3 75 3.8 31 11.9 877 765 Torsten Dmil0 7760 25 62 64 12.7 3.8 31 11.70 117 Traster 162 4 11 2.0 4.3 1.7 17.9 17.9 17.9 17.9 17.9 17.9 17.9	215   165   Da. B. Apt. Cm Co Pf   210   +8   8.4%   5.5   5   5   5   42%   2   4   4   5   5   5   5   5   5   5   5	340 240 Reminist Group. 340 12.3 727 545 Reuters W 10p. 687 +2 5.5 3.7 1.1 13.5 6.1 36/pReumor. 51 1- 1 10.6 26 2.7 15.4 104 123 Ricardo 154 +6 3.25 3.3 2.9 14.2 128 91 Robertson Resh 10p. 1373 45 2.5 4.1 2.5 13.4 124 22 Rock 10p. 27 -5 2.5 4.1 2.5 13.3
78 57 NK & Starp, HKS2 50 66-sal-2 10376 - 4.4 - 155 134 Kep 8 Starson 20p 188 sal-2 12.37 - 2.9 - 134 Kep 8 Starson 20p 188 sal-2 18.75 - 6.4 - 156 134 Kep 8 Starson 20p 188 sal-2 18.75 - 6.4 - 156 134 Kep 8 Starson 1. 522 + 13 1.6 6 - 3.7 - 154 12.37 13.7 - 154 12.37 13.7 - 154 13.7	515 405 (Laporte inth. 50p	45 12 ##insterside El. 7p. 45 +2	198 164 Tyzack Turser 191 +16 4.0 1.6 2.9 28.5 1746 56 Tyzack TW. A. 1106 1.3 3 122 225 2.6 2.2 27.2 110 91 Und. Spring 10p 97.5 24-14 12.0 2.9 2.9 15.0 197 USEL Consorties 12 428 +3 W5.68 4.3 1.8 13.5 209 160 Victors 21 205 +1 86.0 2.1 4.0 13.7 116 78 Victor Products 101 50 16 6.8 30.5 50 27.9 WA Miles 10p 45 10 4 3.0 4	192 157 Within Light H133 163 -1 0600 3A 2.9 10.3 556 315 Christies int. 10p. 590 +22 75.3 1 1.9 22.8 213 135 City & Freign Hills 210 +12 1.00 0.3 0.7 - 165 115 Chatae Electroles 5.0 155 6.9 1.6 3.4 24.2 43 30 Within 10p 3 30 73 30 10p 3 30 75 0.2 2.1 25.5	119 108 (Rotic & Maiss 10p 114 120 29 24 19.4 115 116 Proper 1 1894 2 6.5 6 6.0 6 9 2 1894 120 7 7 1894 2 6.5 6 6.4 6 9 2 1894 120 7 7 1894 2 6.5 6 6.4 6 9 1894 120 7 1894 120 120 120 120 120 120 120 120 120 120
138 122 Do Ser A Car Pri 136x3+3 6% 6.0 685 566 34x5ant 51 679 -8 27.0 35 5.5 6.4 102 360 Morgan Grandel 51 38 30 105 3.7 278 155 Morgan Branch 51 38 30 105 3.7 30 105 3.7	5273   677s   Perstamp AS *PS-10.5   520   -1s   0.08-7s   6   0.9   c	75 43 #Mccrell Systems 72 2 1.2 5.6 2.4 10.4 78 55 ; WGarth Texhik 50 46 2 10.1 3.6 25.15.2 442 250 [Kode Int. 995 -2 13.0 1.8 4.5 16.8 95 65 ; H.PA Industries 10p. 70 +1 17.0 (2.0 5.7 11.6 3.2 2.1 5.2 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2	257   Wilapos Industri	For Combined Tuck see Tripoco Olitotra;  166   Éconsilator Sp	270 150   SAC inti 10a
163 137 Robuschiki LD Hidgs 16272 15.0 3.2 4.2 — 84 67 Do. Warrants 84 14 1 — — — — — 1.64 141. Robuschiki S. 156 141 072.52 7.1 3.3 4.1 337 248 Royal Bt. of Scotland 321.64 1 710.8 37 46 8.1 270 256 Scorolizado Bt Units 263 4.3 e8.0 2.5 4.2 11.1 e800 276 Scorolizado Bt Units 263 4.3 e8.0 2.5 4.2 11.1 e800 276 Scorolizado Bt Units 263 4.3 e8.0 2.5 4.2 11.1	86     54     Succliffe Speakman     86     44     —     —     29.9       107     67     Thurste Survers (10p.     94     +1     1.8     29     26.18       223     1441 <sub>2</sub> Visting Packages (10p.     217     -2     13.5     3.0     22     19.9       50     368     Wardles Scoreys (10p.     50m-5     16.0     12.17     22     11.7     22       67     51     44 Winsturovit Ind. (10p.     40     1.75     23     40     13.0       370     258     Wisitersholme Rink     358	334   210   Logica 109   325   11.0   11.0   0.4   27.7   73   66   Logica 50   93   43   R1.8   38   27   13.6   447   457   47.8   487	90 52 Wood (S.W.) 20p 54 3.0 2.6 55 8.8 FOOD,	191   Course of Cri. 10p.   221   161.0   34   3.1   12.9   14.5   3.1   12.9   14.5   3.1   12.9   14.5   3.1   12.9   14.5   3.1   12.9   14.5   3.1   12.9   14.5   3.1   12.9   14.5   3.1   3.1   14.8   14.5   3.1   3	305 242 Scapa Genop 286 +2 m.6.05 28 2.9 13.3 227 1.5 224 Schlamberger 30.01 227 1.1 1.3 13.3 \$\delta\$ 2.7 1. 250 4.0 151. Scott Robertson 225 4.1 10 3.3 \$\delta\$ 2.0 \$\delta\$ 2.7 1. 250 4.1 10 3.3 \$\delta\$ 2.7 1.4 10 3.3 \$\delta\$ 2.7 1. 250 4.0 13.3 \$\delta\$ 2.7 1.2 2.7 1.5 10 5.5 10.0 \$\delta\$ 2.7 154 10 5.1 0.5 5.0 6.7 2.7 154 10 5.1 0.5 5.0 6.7 2.7 154 10 5.1 0.5 10.0 \$\delta\$ 2.7 154 10 5.1 0.5 5.0 6.7 2.7 154 10 5.1 0.5 10.0 \$\delta\$ 2.7 154 10 5.1 0.0 \$\delt
227 227   Sec. Pacific S10   C23 2 +1   MS1 20   32   4   4   4   4   4   4   4   4   4	DRAPERY AND STORES	105   68   Magnetic Materials   10   100   +4   11.87   3.5   2.6   12.5   105   67   Medicerate ind 10n   80   -6   12.0   14   5.1   18.8   336   228   Memer 10n   325   5   3.3   32   14   31.1   32   32   13   Memory Complete   10n   32.5   5   3.3   3.2   1.4   31.1   31.9   32.5   3.5	GROCERIES, ETC  1987  High Low Stuck Price - Rev Die Cur Gris Price  175 1422-[ASDA-MF1 Gruso 167 -2   15.15 12   2.5   16.3   327   253   Jama & Instruction 354   5   5.75   2.7   2.2   22.4   33   32   34   Mpine Sch D 10 34   +5   11.83   0.2   2	478 253 (Barles & B'wmm. 478 +10 13.0 + 3.8 4 225 196 - 6020 (G.Y.) 50 238 62.8 2.0 22.9 236 120 71 - \$0can & Bowes 50 120 +2 3.0 1.9 3.4 22.0 449 347 De La Rue	190   133   MScartpaard Gp 5p.   185   -1   3.5   2.4   2.5   2.18     195   23   25   25   25   25   25     195   37   MScartp Services   251   25   2.06   31   1.1   39.0     195   43   Starts Wire 20a   190   -5   -5   -5     37   MScartp Services Area   71   -4   4.5   2.0   9.0   7.3     338   205   3816a   -325aa   -10   4.0   4.7   4.6     108   77   States Group   104   +1   5.5   1.8   7.2   11.3     108   108   109   109   109   109   109   109     109   109   109   109   109   109   109   109     109   109   109   109   109   109   109   109     109   109   109   109   109   109   109   109     109   109   109   109   109   109   109   109   109     109   109   109   109   109   109   109   109   109   109     109
422   290   Wietrus 20p	24 17 HACIS Jeurellery 10p. 22 322 133 16.8 332 131 Alleston 10p. 332 13 16.8 153 Alleston 10p. 78 153 16.8 155 15 15 15 15 15 15 15 15 15 15 15 15	174 87 Micro Focos 10e 149 -1 4153 3.8 1.4 24.2 147 73 Micro Scape 10e 145 45 34.0 29 15 30.0 150 138 4Microspen Higs. 59 346 45 Micro Scape 10e 148 45 Micro Scape 10e 148 51 30.0 150 138 4Microspen Higs. 59 346 45 Micro Scape 10e 148 51 30.0 150 150 150 150 150 150 150 150 150 15	540 365 Banks (Sidney C) 515 +5   †11.5 3.8 3.1 11.6	137 92200tson Park 10p 1342 5.21 1.6 5.3 16.6 135 88 Oper Highs, 10p 130 +3 44.95 1.0 5.2 26.0	111   22   Silestright 100   102   +2   3.0   4.1   6   22   23   20   200   200   201
92   75 Lon. Scat. Fin. 10p   92   14   3.0   2.0   4.5   13.5   84   61   Moorgate Merc. 10p   74     71.6   1.5   3.0   28.3   393   278   Prov. Financial   372   -1   13.0   22   4.6   13.0   570   445   Whoodchesser   R20p   570   +1.0   (93.77%   1.0	204 150 Astley (Laza) 50. 196m 225 24 15 22.8 640 545 Astrey . 632 -5 10.0 34 22 185 188 86 Astrey . 632 -5 10.0 34 22 185 187 188 189 189 189 189 189 189 189 189 189	230 108 Histors Sp. 220 -5 R20 37 12 248 406 300 Histor Corn. 1325 170 88 Holym 20 13325 - 15 \$\displays 12 \displays 8 Holym 20 13321 2 15 \$\displays 15 \$\displays 4 \displays 8 Holym 20 13 13321 2 15 \$\displays 15 \$\displays 4 \displays 4 Holym 20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	208 145 Barker & Dism 10p 206 -1 1.0 5.8 0.7 28.1 1.0 5.2 25.2 25.2 25.2 25.2 25.2 25.2 25.	127   280   EIS	46 38 Sonaryc 45 45 32 23 20 11.8 27 27 27 28 28 29 29 45 29 29 45 29 29 29 29 29 29 29 29 29 29 29 29 29
WINES & SPIRITS  443   317   Allfed-Lyons	75 7 Baris Leisme Go 10p 204 + 1	892 579 REG Corpa V50. 719 4-9 039% 3.9 0.4 672 9654 77-5815 975 Newmark (Loss) 333 26 145 140 1.8 5.8 13.0 93 98 646cras Elec 5 81 140 1.8 5.8 13.0 93 98 646cras Elec 5 81 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 5.8 13.0 140 1.8 13.0	32 153/5816-1 (spines 10p. 29 -1 1 1.75 1.6 4.0 19.3 10.5 17 Sortinet's 10p. 101 0.75 0.6 1.0 19.3 10.5 17 Sortinet's 10p. 205 44 1.22 4.4 1.5 19.9 24 17 (Sarty Schwesper 1p. 205 1.6 1.0 1.7 1.8 1.6 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	P7172 177 Francist SAT 100 L2 MILT NO 12 12 15 6	100   Sing Furniture   113   55   0.7   6.7   (55.6)   226   176   5   5   5   6   7   6   5   6   7   6   7   6   7   6   7   6   7   7
515 440 Clark (Matthew) 477 8.0 3.4 2.3 17.6 236 202 (Devents U.A.) 5p 235 2.7 4.0 1.6 19.7	333 249 Barton Groep 50p 319 4 15.7 3.4 2.5 16.2 2 2 2 2 13 37.8 2 2 2 13 37.8 2 2 2 2 13 37.8 2 2 2 2 2 13 37.8 2 2 2 2 2 13 37.8 2 2 2 2 2 13 37.8 2 2 2 2 2 13 37.8 2 2 2 2 2 3 37.8 2 2 2 2 3 37.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 2 3 3 7.8 2 2 2 3 3 3 7.8 3 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	34 17 Oceanics 10p 32 +4 8 -4 1.8 13.7 0.5 16.9 454 390 Indeed increasest 5p 452 +6 11.8 13.7 0.5 16.9 218 162 Pet increasters 10p 216 3.0 3.9 1.9 18.8 18.1 Penny & Gites Inst. 238 12.18 4.6 1.3 12.8 155 118 Afreycom 10p 313 2.5 5.6 2.6 9.3 1535 1207 Pertos Elmer 4pc 53222 2. 94% 17.2 12.1 188 133 Personal Company 5p 188 +5 83.0 3.3 2.2 19.1	120   48   Chamber's 6 raryss   107   11   12   27   1.6   27   1.7   27   27   28   27   28   27   28   27   28   27   28   28	410, 20 Entrue Hills, 50 39 min 7	157   229   Samlight Serv. 10p
412 376 Eleridae Pose W. I. 408 7.0 3.5 2.4 16.4 402 340 FFaler, Serist T. AEL 480 +3 ffal.1 5.0 1.4 82 59 187 Greenal Whitley 258 +1 5.5 3.0 2.9 15.0 1381; 1041; 10.5 5/50cCePIEL 1377; at -1; 5.95% -5.9 -381 259 Greene King 377 -1 15.6 3.3 2.0 202 321 341 254 Gunners 340 +2 48.16 3.3 3.3 11.8	417 205 Comis Eng. 129:9 411 -1 49.0 2.1 3.0 2.1.3 192 47.2.6 3.4 12.5 192 47.2.6 3.4 12.5 192 47.2.6 3.4 12.5 192 47.2.6 3.4 12.5 193 304 27.5 193 193 193 193 193 193 193 193 193 193	54 23-Phicon 10p 49 +10- 0.4 11 1.4 - 1107-1275 Philips Fin. 3-12 1106-1275 Philips Fi	200 152 Banies (S.) 50	271. 139 Extent 225 -2 5.6 \$\display 2.8 \$\display 19 18 Examina Jevettery. \( \frac{7}{2} \) \$\display 18 Examina Jevettery. \( \frac{7}{2} \) \$\display 18 \) \$\display 170 Expanse int \( \frac{7}{2} \) \$\display 18 \) \$\display 15.4 \\ \display 18 \) \$\display 18 \] \$	186   196   17   187
1300 1004 00 8 not 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	425 304 (These Group Llo	175 105   Phylyscriet Blet 50   136   -2     -46.5   170   97   Phylyscriet Blet 50   115   -2   2.5   3.9   2.7   13.2   2.5   16.5   4.6   4.5   2.5   4.3   1.5   2.0   4.6   4.5   2.5   4.5	259 177   Sees 50   258m + 13   13.2   0   17   6   6   6   6   5   13   13   2   6   17   6   6   6   6   6   6   6   6   6	718   528   Fisus   714   -1   6.5 3.5   1.2   27.6     90   79     Fisus   Clarge M2015   195	255   135   110rd Mile lw
435 370 #Merrystom Wise 434 -1 15.33 3.1 1.7 26.4 550 345 Meyehard 515 7.0 2.9 1.9 25.3 264 197 Scott & Mew 20p 26.3 17.01 2.3 3.7 15.2 579 443 Vaxx Grosp 524sil -2 1912.5 2.3 3.3 18.2 380 27.7 Whotherad W 367 -2 17.8 2.6 2.9 16.6 389 2777, Wolf, & Dudley 335st 8 17.3 2.0 2.6 2.4 16.3 26.2 27 16.6 2.4 17.3 2.0 2.6 2.4 2.4 362 2.5 10.6 (ex. V. Sop 362 4.7 17.3 2.0 2.8 2.4 3.4	248 128 #Fleids (Mrs) \$0.05 . 247	256 184 Recal Electronics 250 -1 1300 30 1.7 24.4 ELIT's 5934 to Jucklus 200-14 12174 +2 179,175 fb.0 -195 106 Heading 50 -188 3.0 32 22 19.3 12 8 Wike Date Cur \$1.20 - 4.0 17.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1	218 98 Home Farm 100	226   276   \$\frac{2}{6} Flogras (RED.10	190   235   Tonibil (R.W.)   290   18.25   3.4   3.9   10.4     166   135   Top
802   255   Do. Wood, V. Sop 22   362   17   173 20   23   24   25   25   26   27   27   27   27   27   27   27	160   124   Heinert 50   148m   +2   13.0   28   28   17.4   10   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   16   -1   17.5   -1   18   131   Endberg (A.)   158   131   Endberg (A.)   158   131   Endberg (A.)   158   140.2   13.5   19.1   19.2   1	*123 63 **Red-shootd Ries 10p. 111 0.5 \$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	210   150   Mest 7race Sup   200     15.5  14   3.6 (36.9	223 97 Grampian Hdgs 222m+3 13.0 2.7 19 22.4 1 353 298 Granedu 350 +5u 852 25 33 16.4 5	257 st 137   Turner & Newall £1   257 st 2   97.5 2 4   4.0   1226   125   125   126   127
340 Z70 AMEC 500 346 3 12.0 2.3 4.8 12.7 25 25 103 Aber 275 22 Aberdeen Const. 250 st. 1 8.8 4 48 4 19.0 19.0 19.0 19.0 19.0 19.0 19.0 19.0	110   110	258 245   Hermond Longh 200 - 258 +55 3.75 4.6 1.4 20.9 283 55   Hermond Longh 200 - 258 +55 3.75 4.6 1.4 20.9 283 55   Hermond Longh 200 - 258	230 195 Mardin P's. 10p	305   152   NGL Seathers 105   300   15.2   0   2.4   0   210   160   Green E.J. & Part Sp.   210   13.4   300   22   20.3   227   169   Seather Long   226   -1   15.3   26.3   36.0   224   106   Matha Hones & Gents   233   42   R2.77   2.4   16   34.7   305   243   Matina 106   361   -2   11.7   5.7   0.8   30.4   176-134   Matina 107   166-1-1   19.9   2.6   01.4   206   (215 ) 0.8   50.   60.0   7.6   2.7   +1   (89.33.5   13.7   207   (215 ) 0.8   50.   200-0.9   (227   +1   169.33.5   13.7	130   278   Velor   120   120   132   3.8   3.2   10.9   137   Vinten Grp. 20e   179   46   158   12   158   158   12   159   159   159   159   150
323   217   Attwoods 50	385   180   (*Jacuses Vert 10p   385 st   7.0   \( \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	136 98 Same tell 20p 106 483 1.1 6.2 19.7 4 7 19.7 19.7 19.7 19.7 19.7 19.7 19.7 19	331 279 RNHs 330 — 66.11 2.4 2.7 20.5 46.12 2.1 27 Files Health 2p 41. — 2 0.28 4.1 0.9 25.2 15.3 402 Romentee N. 50p — 577 ml +3 15.4 2.2 15.15.4 15.5 11.7 49 12.5 Samsbury (J. — 575 — 3 15.9 3.7 1.3 28.2 17.4 17.4 12.5 Samsbury (J. — 16.4 +2 13.2 2.7 17.9 14.0 10.9 H5lms Catering 5p 35.2 +2 13.2 2.7 2.7 17.9 14.0 2.0 4.2 16.4 17.4 17.4 17.4 17.4 17.4 17.4 17.4 17	ELM ELZS-glo. 10s Ln. 2007-12. ELST +11. g00% 6.2 77.6	377 97 Waterford Class 59. 11.2 12.5 988628 20 27 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5
121   65   Bett Brits. 26p   108   -1   d3.1   1.1   39   30.4   20   96.5   80.00   52.8     30.0   0   22   0   0   13   670   80.0   Circle £1   907   +2   23.0   26   35   12.2   317   250   8revenus luine   31.7     11.25   0.9   4.9   30.1   24.5   220   28.8   EA     24.5     21.0   0.2   0.6     21.5   25   25   25   25   25   25   25	545 480 Do. Non Vis	275 123   Thermal Scientific 1 268 +2 25 4.4 13 219 705 1468 Thorn EM1 488 143 1417 5 1.5 35 229	819 560   Tate & Lyle £1   785 -11   725.0 2.0 4.1   15.1   785 -11   725.0 2.0 4.1   15.1   785 -11   725.0 2.0 4.1   15.1   785 -11   725.0 2.0 4.1   15.1   785 -1	440 342 Do. Car Red Pri 431 -3 (36.0) 8.4 -1 15 5 5 5 5 46 Harvata Walking Sp. 150 Harvat Walking Sp. 150 Harv	53 33 Westward Daves 12/ye 45/8 31/6.0 1.2 18/9  53 30 Whateva R. Angel 5p 345 31/6.0 1.2 18/9  544 36 Winder 40 300 501/2 18/9  55 118 Wests (1) 201 +1 67/7 46 -2  55 100 Wests (1) 201 +1 67/7 46 -2  55 85 Williams Hidgs. 79/8 +15 51/6.0 29 24 16.4
18 11 Surrett 6 Malan 20p 15 - 33 23 35 16.8 150 80 Catebreas By / M 10p 128 +1 33 23 35 16.8 204 149 Center-Analysisone 165 -2 (20.8%) © 2.9 © 25 23 9Chesamoster Gra. 29 25 150 Conder Fotos 29 5 4.0 3.3 2.9 12.7 251 110 Copson FJ 5p 253 -6 4.75 1.3 0.9 -	123   96   Miss Sam 10p	192 855 De Tre Ce PF92-99 1773-75 75-906 54 -	00   40   0. 10	225 175   Heretin (J.)	57 32 NRIVERS (1) 48 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
633   493   Country-lide Props   523-at   17.5   4   45   4   5   7.5   6   45   5   7.5   6   45   5   7.5   6   7.5   6   7.5   6   7.5	25h 145 Pege Grain 10p 251 13.9 3.2 1.6 24.1 222 122 Precty Calfred 174 +15 3.87 0.4 3.1 189 174 +15 3.87 0.4 3.1 189 175 248 Ramers 10p 357 +10 4.84 \$\dot\$ 1.75 2.8 6.0 0.31 189 189 189 189 189 189 189 189 189 189	233 153 (Vd. Scientific 207) 44 16.0 0.1 3.3 313 227 Voles (Frop. 311 -2 19.0 2.7 4.0 0.0 2 103 66 HVgrue Kerr 10.	CATERERS  72 43 habberdeen Str Res 50 48 1-2 22 0 4.4 0 0.7	165 3 30 Hunter 10p - 683 127 \$ 13.8 \$ 1 \$ 1 \$ 567 \$ 1 \$ 1 \$ 1 \$ 1 \$ 1 \$ 1 \$ 1 \$ 1 \$ 1 \$	23 Horntsom (4,1) 10, 45 +1 7.2 4.7 15 (17.9 75 65 Hz) 27 5.0 10.2 13 11.8 Windows Fr 150 13 11.9 20.8 11.0 Windows Fr 150 13 11.9 20.8 13.6 2.8 3.4 14.6 INSURANCES
	33 50 Do. 311-gerF. 121-ga 45 3.94 1155 157 123 Sears 157 123 Sears 157 123 Sears 157 123 Sears 157 124 157 157 157 157 157 157 157 157 157 157	ENGINEERING  705   573   APV Baker 509	"36\" 261-Bortols Capital 50 351-1+1- 6.38 21 14 MLO	45 32 oryman >	1986   Law   Sheck   Price   4 to   10to   17to   17to   18to   17to   18to
445 348 Gleeson (MJ) 10p 445m - 3 +5.91 4.3 1.8 12.3	116 84 Steart. 55 im W	545 390 As £ Lucy 545 240 1.9 6.0 11.7 229 7 As £ Lucy 545 224 4.2 4.2 4.2 4.2 4.2 4.2 4.2 4.2 4.2	179 133 Pres Entertals 50p 176 229 35 1.8 (21.1 90 +1)2 1.6 24 24 193 176 199 10 70c/c Pt. 11 1742-1 16 24 24 193 176 179 17 179 179 179 179 179 179 179 179	530 430 5J.S. Pathology 10p 472 42 13.5 3.1 1.0 43.5 5650 288 Markson Boome 605 -10 46.0 1.7 1.4 49.0 194.0 195.0	122   125
	264	407 234 Batter Perties 50p. 139 +1 417.5 1.9 3.0 23.8 139 138 Batter lests, 20p. 192at. 16.34 2.3 4.5 12.0 118 73 Batter lests, 20p. 192at. 16.34 2.3 13.9 2.9 4.4 10.8 60 371 128 129 128 125 125 11.9 127 127 127 127 127 127 127 127 127 127	1967   + or) the   Y's	176 126   Josephan (7.10p   14688 - 2   9.01 4.7 2.7 12.9   177 12.5   178 12.5   179 12	75 222 Early & Law In 367m 8.0 - 13.0 - 10.0 8.0 - 13.0 - 10.0 8.0 6.4 tearnary \$6.0 10.0 945 - 10.0 104.7c    8.0
675 36 Plant Amor Cpn 365 110.0 1.7 2.1 34.5 92.7 3 470 1470 147 2.1 34.5 92.7 3 470 1470 147 2.1 34.5 92.7 3 470 1470 147 2.1 34.5 92.7 3 47.7 2.1 34.5 92.7 34.7 2.1 34.7 2.	73 37   Intent (E) W	S7 -2 341-8 Blackwood Hodge	Sect	50 30 Kalon Group 150 46 138	10.72 s.37 Heish (C.E.) 20p. 469 5 724.4 2.1 6.8 9.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.6 79.0 79.5 14 225 1.0 16.0 79.0 79.5 14 225 1.0 16.0 79.0 79.5 14 225 1.0 16.0 79.0 79.5 14 225 1.0 16.0 79.0 79.0 79.0 79.0 79.0 79.0 79.0 79
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#### **Account Dealing Dates** \*First Declara- Last Account Dealings tions Dealings Day

Apr 27 May 7 May 8 May 18 at 356p: US support was evident May 11 May 28 May 29 Jnn 8 late in the session. Elsewhere in Jun 1 Jun 12 Jun 22 the energy majors, British Gas rec-\* New time dealings may take place from 9.00 am two business days earlier.

The UK securities markets Wellcome featured with a rise of enjoyed a successful session 18 at 447p in response to news that yesterday with both domestic and the UK Health Secretary, hopes to

lic opinion indicated increased come under the trade name of support for the Thatcher Govern-Retrovir. Although not a cure for ment and, after slackening briefly at mid-session, closed with renewed strength when US buyers ment and, after slackening briefly at mid-session, closed with renewed strength when US buyers appeared for oil shares following good results from British Petroleum and Royal Dutch Shell. Government bonds, by contrast, had a slack session as the filbn tap was sold by tender, and closed easier. Interest rate optimism remained undimmed, however.

The FT-SE 100 index climbed

Aids, it is at the moment the only product available believed to arrest the disease. This factor has been behind the strong performance in the Wellcome share price which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from this year's had a slack session as the filbn tap which at the current level has nearly doubled from the well-come shared the filbn tap which at the current level has nearly doubled from the strong performance in the Wellcome shared the strong performance

don, and those from British Peton, and those from bridsh recording and those from bridsh recording proved oblems also pleased the market.

There was a mixed reception for dearer on balance at 526p.

The market debut of Sock Shop rivalled, if not surpassed the harply lower. London analysts respective impressive performthe interim results from Saatchi & Saatchi, which left the shares sharply lower. London analysts were satisfied with the profits but unhappy with the Saatchi board's response to questions which attempted to probe the tender areas of the US operations.

There was continued demand for pharmaceutical shares, with Glaxo outstanding as more UK brokers climbed aboard the bandwagon which has taxen the Glaxo share price ahead strongly over

On the consumer side, Cadbury-Schweppes continued to find the

ernment bonds had a good 305n trading session, with prices moving in a half-point range as the Accident made early progress and market avoided tendering for edged further ahead following £1bn in 2002-06 stock. Bids for the respective first quarter results

the sixth consecutive trading sestor and especially Royal, which sion and closed a further 8 higher ended the day 24 lower at 895p at 237p after a turnover of more and General Accident, finally 8 off buying interest—which dealers to 842p. said was mostly UK-sourced— Intere said was mostly UK-sourced—
reflected growing speculation focused on Midland which rethat the company is about to announce a major US acquisition.

Interest in the bank sector was reflected growing speculation focused on Midland which rethat the company is about to treated to 665p at one point before announce a major US acquisition.

British Petroleum and Shell up 6 more to 548p. revealed satisfactory first-quarter standard & Chartered drifted results although the latter's were back 7 to 818p and TSB eased a at £1314 and BP finished 14 higher

overed strongly and closed 3 higher at 114½p.

International factors belying to take the equity sector to new peaks.

Share prices opened strongly after the latest surveys of UK pub-

Aids, it is at the moment the only

remained undimmed, bowever.

The FT-SE 100 index climbed 16.6 to a new peak of 2180.0 But the FT Ordinary index which is more closely tied to the blue chip stocks, ended at 1684.2 a gain of only 3.7 leaving it just short of the recent all-time high.

Among the international stocks, the trading figures from Royal butch were well received in London, and those from British Petons 18 to 537p; however, the subsedent analysts' meeting proved quent analysts' meeting proved

> Ashley; the shares, offered at 125p and heavily oversubscribed, opened at 255p and, in active trading, touched 288p at one stage prior to closing at 260p.

Polly Peck continued their risen nearly 28 per cent this following the rejection of Transmonth—as UK investors anticipated good interim results. The nominees on the Sun Life board. statement is due to be announced on Monday. Acute stock shortages spurted 25 more to a peak 663p, gave the upturn added momentum and the close was 11 higher at

Royal Insurance and General new stock, which looked dear to a market still aiming for lower makers as satisfactory. However, a rates, were very thin, and the issue was fully-allotted at the minimum tender price.

GEC made strong progress for the circle at the correction reading see. at 940p. Sun Alliance dropped 23

"GEC is hopeful of pulling off the rumours of a rights issue redeal," a leading analyst said yesterday.

"The sumours of a rights issue redeal," a leading analyst said yesterday.

Merchant Banks included fea-

# US buying of oil stocks features firm equities while Gilt-edged stocks turn lower

	May	May	May	May	Maer	Year	] 29	87	Since Co	Since Compilation		
	14	13	12	n n	8	ago	High	LOW	High	Low		
Government Secs	92.92	93.02	92.92	93.15	92,32	91.98	93,32 (8/5)	84.49 (6/1)	127.4 (90/35)	49.18 (30.05)		
Fixed Interest	98.05	98.54	98.35	98.39	98.25	96.89	98.54 03/57	90.29	105.4	50.53		
Ordinary 🕈	1684.2	1,680.5	1,670.4	1,686.9	1,658.7	1,302.6	1,686.9	1,320.2	1,686.9	49,4 (26/6/40)		
Gold Mines	420.8	421_4	428.1	428.3	438.7	244,3	485.0 (144)	288.2	734,7	43.5		
Ord. Div. Yield	3.41	3.41	3,44	3.41	3.47	4.24			TIVITY			
Earnings Yld.%(full)	8.20	8.20	8.20	8.13	8.27	10.46	la	gaes .	May 13	May 12		
P/E Ratio (net) (*)	15.01	15.00	15.05	15.19	14.92	11.69	GIR Edged	Bargales	161.2	189.4		
SEAQ Bargains (5 pm)	47,513	46,728	52,941	62,147	55,938	l –	Equity Sar	ــــــ تملحو	. 396.9	443.6		
Equity Tomover (£m)	_	1,522.47	1,599.60	1,481.39	2,124.67	533.73	S-Day Ave	20rane	3077.3	3,233.2		
Epoity Bargains	_	61.260	68,455	63,762	62.164	21,817	Gilt Edged	Bargains	189.2	1961		
Shares Traded (ml)	-	609.7	643.47	573.3	812.7	231.1	Equity Bar Equity Value	98 km	399.9 3366.5	380.6 3,296.6		
	10 a.m. 1678.7		a.m. 34.7	Noon 1689-5		1 p.m. 687.8	2 p.m 1689.		р.т. 688.2	4 p.m 1682		

tures in Mercury International, up a further 17 to 389p for a two-day gain of 28, reflecting the recent underperformance of the shares. Kleinwort Benson jumped 13 to 522p. Bank of Ireland advanced 13 to 258p in the wake of the annual results and Allied Irish Bank hardened 7 to 268p following the acquisition of Coyle Hamilton, the

largest insurance broker in the Republic. Life insurances showed Sun Life USM-quoted United Friendly still reflecting the sharply increased profits announced on

Monday. Brokerage house " buy " recommendations stimulated activity in Bass which, ahead of Wednesday's interim statement, spurted 22 to group to reveal creditable growth with pre-tax profits some 14 per cent higher at £148m. Allied-Lyons, too, traded in fair volume but sellers had a definite edge and the close was 5 lower at 431p; the preliminary results are sche-duled for Tuesday. Fisare scheduled for Tuesday. Elsewhere, a resurgence of bid speculation lifted Belhaven 51/2 to a high for the year of 78p.

Buildings continued to attract

elective buying interest. Blue selective buying interest. Blue Circle, a strong performer on Wednesday, firmed 2 afresh to 902p, while Tarmac put on 8 to 545p. Rugby Portland Cement were again in demand at 251p, up 5, while Bedland put on 7 to 484p. Elsewhere, Berkeley Group rose 8 to 405p following the excellent annual results and proposed 651m with the strength of the strength rights issue, but Stanley Miller

softened a couple of pence to 88p

somened a couple of pence to 88p as the company denied knowledge of any bid approaches.

Rainers responded to favourable Press comment on doubled profits announced on Wednesday and rose 10 to 357p. Next, which topped Rathers' bid for Combined English Stores last week put on 6 topped rathers bid for Combined English Stores last week, put on 6 to 345p. Elsewhere, Alfred Preedy raced up 15 to 174p amid takeover speculation, as did Ellis and Goldsiein, 9 up at 1094p. Martin Ford gained 11 to 112p on recovery hopes while Wigfalls returned for the store of the store o from suspension and closed at 230p compared with a pre-suspension level of 205p.

British Telecom added 2 at 308p on news of the Ministry of Defence contracts worth £130m. Bid speculation lifted MK Electric 5 to 467p, while International Signal continued to respond to the recent buy recommendation from Chase Manhattan Securities and

Fleming had bought a 60.9 per mates. Walker Greenbank cent stake from Magnum Corporation for 30p a share and installed its own new management. Atlantic its International put on 22 more to its own new management. Atlantic Computer, helped by Press com-

ment, jumped 35 more to 727p.
Leading Engineers rarely strayed from previous closing levels. Elsewhere, Whessoe, still reflecting the half-year loss and passing of the interior dividend, fall 6 more to 98p. Pownibres in fell 6 more to 98p. Downibrae, in contrast, advanced 11 to 117p on a contrast, advanced 11 to 117p on a revival of speculative activity. William Boulton gained 4 to 28%p following details of the capital reorganisation. Other bright spots included Ectork, up 7 at 202p, and Birmingham Mint, 8 better at 256p. Food Retailers remained in vogue with Kwik Save 6 higher at

311p and Tesco 7 dearer at 542p. Bejam gained 8½ to 1920 on takeover hopes, while Argyll put on 17 to 465p. Elsewhere, Bos subdued market of late, attracted revived demand and rose 19 to 474p, while Iceland Frozen Poods firmed 6 to 384p following the

annual meeting.

Kennedy Brookes, boosted by reports of a broker's lunch, moved

Among the miscellaneous industrial leaders, Glazo, the current favourite of a number of investment houses, continued to make progress and put on ¼ more to £15%. BOC, scheduled to reveal interim figures next Monday, har-dened 4 to 484p in a small volume of business. News that Common Market plans for a new tax on vegetable oil have won European Parliament backing failed to unsettle Unilever which held a gain of ¼ at £28¼. Elsewhere, English China Clays featured with hardened to 271p. English China Clays featured with
Elsewhere, Phicom surged 14½ a gain of 16 at 458p following
to 49p following news that Robert interim figures above market esti-

> NEW HIGHS (285)
> BRITISH FUNDS
> CORPORATION LOANS
> AMERICANS (2), CANADIANS
> ROFWERS CURPUMATION LOANS (4),
> di AMERICANS (2), GANADIANS (3),
> 8 MIKS (7), BREWERS (3),
> 1 BUILDINGS (18), CHEMICALS (6),
> 5 TORES (8), ELECTRICALS (17),
> 1 ENGINEERING (15), FOODS (9),
> 1 HOTELS (3), INDUSTRIALS (38),
> 1 INSURANCE (2), LEISURE (7),
> 1 MOTORS (10), NEWSPAPERS (5),
> 1 PAPER (14), PROPERTY (37),
> 1 SHIPPING (2), SHOES (1), TEXTILES
> (5), TRUSTS (42), OILS (10),
> 1 OVERSEAS TRADERS (1),
> 1 PLANTATIONS (2), MINES (9), THIRD
> MARKET (2).

**LONDON TRADED OPTIONS** 

July Oct. Jan. July Oct. Jan.

2<sup>1</sup>2 4 8 21 8 12 17 29

12 27 55 85 37 57 80 105

7 15 35

6 12 19

15 25 6 1 12 42

May Aug Dec

**∾¤**8 8 30 65 14 35 67

90 4 20 62 25 38 40 68 78 83 2 11 52 15 26 26 60 63

52 1 4 7 40 1<sup>1</sup>/<sub>2</sub> 8 13 29 9 17 23

85 95 1 440 50 15 23 32 42 34 44 1 24 32 9 15 21 22

26 29<sup>1</sup>2 37 17 23 30<sup>1</sup>2 11<sup>1</sup>2 18<sup>1</sup>2 22 6<sup>1</sup>2 12<sup>1</sup>2 17

41 31 21 50 40 31

68 74 48 54 32 40 20 29

218 187 158 133 182 150 120 95

2 4 13 29 5 19 20 37

95 60 34

9584

42 31 18

25 25 — 14 17 202 62 12 152 130 160 180 85 105 145 52 75 115

85 45 28

May Aug Dec 47 67 75 6 37 50 1 12 23

95 57 30

29 13 2 37 27 13 48 36 22

220 35 44 240 15 28 260 3 17

50 33 21 42 25 14

390 420 460

34 20 9

Land Securities (\*473)

Brit Aero (\*636)

32 19 10

33 22 15

Encouraged by the reception of the £75m Eurobond issue—the group's first such venture—P & 0 moved up 5½ further to 652½p. Ocean Transport were also bought and gained 7 moves to 290n. and gained 7 more to 320p. 550p as bid rumours resurfaced, while Briden, another old take-over favourite, gained 7 to 198p. Tomkinsons gathered forward momentum ahead of Tuesday's mid-term figure and ended 23 up at 453p. Lamont were another at 433p. Lamont were another strong performers, rising 19 to 291p, while S. Jerome, 212p, and British Mehair. 212p, gained

sector took in Johnson Fry, 15 up at 258p, Abingworth, 8 dearer at 292p, and MAI, which improved 8

more to 550p. Candover extended Wednesday's late advance to end 6 better at 305p, while Haw Par were raised 10 to 130. Mercantile House, 5 lower at 370p, were among the few casualties. South

over favourite, gained 7 to 198p.
Norcros continued its recent revival with a fresh rise of 10 at 395p.
Further investment demand left Williams Holdings 15 to the good at 798p and BBA 11 dearer at 208p.
Hestair were noteworthy for a rise of 17 to 295p, while renewed demand in a limited market prompted a further rise of 25 to 258p in Wade Potteries.

Profit-taking in the wake of the annual results left Thames TV 34 lower at 485p, while an uninspiraround 25 and 7 respectively after their annual meetings. Against the trend, Palma came back 5 to 93p on profit-taking. British and Commonwealth's British and Commonweaths annual results pleased the market and shares rose 8 to 440p; the figures from subsidiary Exco were similarly received, prompting a gain of 5 to 350p. Bright features elsewhere in the Financial Trust sector took in Johnson Fry. 15 up lower at 485p, while an uninspir-ing set of preliminary figures left unian TV 14 off at 85p. Owners Abroad gained 8½ more to 123½p reflecting the International Lei-

sure stake announced on Wednesday. Jaguar continued to trade uneasily and lost 6 further to 554p, but most other Motor issues went higher. FR gained 8 to 385p and T. Cowie rose 26 to 528p; the latter has sold its stake in Godfrey Davis has sold its stake in Godfrey Davis
to Govett Strategic IT, which now
holds a near 10 per cent stake in
Godfrey Davis. Perry advanced 5
further to 291p, and Hartwell
improved 4 to 118p in front of
Wednesday's preliminary figures.

Delyn Packaging rolled forward again to close 51 up at 513p, while Blenheim Exhibitions rose 25 to Blenheim Exhibitions rose 25 to 310p. More O'Ferrall gained 15 further to 263p and Metal Bulletin revived with a rise of 5 to 141p. Advertising Agencies were not disheartened by the downturn in Saatchi. Davidson Pearce put on 5 to 148p mirroring the chairman's confidence at the annual meeting and Bease Massimi improved 5 more to 290p.

more to 290p.

Peachey Property, some 40 points higher last Friday, rose 11 aftesh to 480p, as British Land confirmed that it had sold its holding in the company to Bell Group International; BL closed 9½ higher at 294½p. The property leders went ahead on asset value and growth prospects, Land Securities rising 10 more to 479p and MEPC 10 to 458p. Elsewhere, Great Portland Estates put on 12 to 291p and Slough Estates firmed 4 to 252p. Helical Bar were up ¼ at 1234, while Southend Stadium rose 56 to 723p on property development prospects.

**NEW HIGHS AND LOWS FOR 1987** AMERICANS (6) CityFed Finance Corporation, Colgate-Paimolive, Continental Illineis Corporation, Great American First Savings Bank, RJR Nabisco, Saul (B. F.). CANADIANS (3) Bank of Montreal, Bank of Nova Scotia, Caradian Imperial Bank. BANKS (2) Deutsche Bank, Cle Bancaire. CHEMICALS (1) Sala BPD. ELECTRICALS (1) F. and H. Group. INDUSTRIALS (2) Calhay Pacific, Ferdi-A-Chron. TRUSTS (1) Japan Assat 42pc Core 1994. OVERSEAS TRADERS (1) REA Holdings. PLANTATIONS (1) Highlands.

40 12 13

34 10

37 22 30

為 16 42

35 47 22 36 14 -

21 -122 7 11

28<sup>1</sup>2 33 22<sup>1</sup>2 26 10 15

Amstrad (\*207)

De Beers (\*\$1256)

Tessa (\*540)

PUTS

May Aug. Nov. May Aug. Nov.

45 27

29 34 2 18 23 10 11 16 26

58 — 38 46 25 32 15 24

1 3 23

15 35

1 17 42

25 50 40 80 85 125 150 185

51<sub>2</sub> 2 8 192

9 32

unexciting until the end of th day when a substantial buying interest from Johannesburg was reported. Most of th leading producers ended with gains of 50 cents to \$1, although there was not

much interest from the US.

Australian oil shares firmed up. behind the Wall Street support for the major producer issues. The reduction in the Australian discount rate helped some sectors. Mining shares again responded to

a firm bullion price.
Total contracts in Traded Options came out at 58,857 made up of 36,883 evails and 21,974 puts. British Gas were prominent and attracted 2,641 calls and 11,292

#### Traditional Options

First dealings May 5 Last dealings May 15 Last declaration August 6 For Settlement August 17

For rate indications see end of Unit Trust Service

Stocks dealt in for the call included Control Securities, Sound Diffusion, Apricot Computer, Sheraton Securities, Property Trust, Sears, Johnson and Firth Brown, Rank Hovis, Bridon, Aran Esergy, Blacks Leisure, Centrol Securities and Berkeley and Ray Hill. A put was arranged in Acorn Securities, while IBL were dealt in for the double.

among the few casualties. South African gold shares were in good form yesterday behind firmness in the bullion price and the shading in the US dollar. Turnover was	Securities and Berke Hill. A put was arran Securities, while IBI in for the double.	iey str ged in	t Hay Acorb
TRADING VOLUME The following is based on trading volume for A yesterday	ipha securities dealt through t mail 5 pm.	S be SEAQ	

-	Volume	Closing	Day's		Acimies	المعتقات	Day
Stock	000's	price	change	Stock	000's	price	Chang
ASDA-MFI	4.100	167	-2	J29087	2.800	. 554	-6
	2.850	431	<b>-</b> 5	Ladbroke	4,300	402	-7
Altied Lyons	1,800	2071-2	-01 <sub>2</sub>	Land Securities	5,900	479	+10
Amstrad	1400	392		Legal & Gen	2,100	302	~4
ASSEC, Drill Publis	4.600	465	+17	Lioyds 8ank	534	534	_
Argyli Group	2,100	546	+2	Logrito	1.100	290	+2
BAT	1,900	262		MEPC	2,100	458	+10
BET	7,700	484	+4	Marie & Space	3,000	2501e	-112
BOC	1,100	777	+2	Midland Bank	-659	670	-8`
8P8 Inds	577	777	-2	NatWest Back	1,600	637	+Ž
BPCC	502	323 321	\$	Next	1,000	345	+6
BTR	3,100	548	+6	Pearson	471	621	-ī
Bartleys	1,400	991	+22	P&0	2,300	65212	+51
Bass,	2,400			· Pilkington Bres	285	856	-4
Beecham	2,000	520	+1		13,000	237	
Blue Circle	454	907	+2	Plessey	184	929	-4
Boots	2,550	301	-1.	Protential	2,400	250	-ī
Brit Alrways	9,750	170%	-142	Racal	2,400 21	731	-2
Brit. Aero	3,700	637	-1	Rank Org			
Brit. & Comm	2,100	440	+6	RHM	969	330	+0,7
Brit. Gas	28,000	114ե	+3	Reckitt & Col	316	ញ់រំទ	
Britoi	3,600	278		Rediand	1,300	484	+7
BP	13,000	356	+14	Reed Intl.	830	451	
Brit. Telecom	6,400	306	+2	Reulers	257	687	+5
Buezi	670	250	. +3	RMC	237	885	-1
Burton	6,500	319	-4	RTZ ,	822	£10%	
Cable & Wire	6,600	402	+512	Rowntree Mac	1,000	537	+3
Cadbury Schwps	2,000	254		Ryl Bank Scotland	904	321	-1
Coats Vivella	432	628	+3	Royal Insurance	2,700	895	-24
Comm. Union	4,250	326	-6	STC	3,200	28812	+332
Cons. Gold.	1600	£10	+ŏ&	Saatchi & Saatchi	3,200	624	-30
Cookson	109	699	-2	Sainshury	1.400	575	-3
Courtantds	605	435	· 🚅	Sears	12,000	15612	-
Dee Corps	4,400	435 238	+6	Sedgwick	570	319	-7
Dixons Gro	A SOO	. 403	<b>~11</b>	Shell Trans	8.200	£134	+04
English China Clays.	4,500 3,100	458	+16	Spritt & Nephew	1300	165	-1
	1,900	734	-ī	Standard Chart	272	818	-7
Fisons	902	940	-8 ·	Storehouse	740	310	-ž
	27,000	237	+8	Sun Alliance,	377	842	-3
Gen. Elect	2,400	EISL.	+04	TSB.	14,000	91	-2
Gipto	1,700	26712	+15	Tarmac	1,000	54Ŝ	+8
Globe investment	7,00	350	+512	Tesco	1,700	542	÷Ž
Granada	3,600			Thorn EM!	872	688	+3
Grand Met	9,000	526	+5		270	900 370	-2
GUS "A"	273	2134	-0,,	Trafalgar House			-212
Guardian R.E	40	920	-1 <sup>-</sup>	T'house Forte	2,700	246	-212
EKH	3,600	326		Unigate	679	400	+4
Galimess	6,910	340	+2	Unilever	694	£284	+04
Hanson Triest	8,700	16612	+3	United Biscults	2,800	306	+3
Hawker Sidd	860	506	+2	Wellcome	5,800	447	+18
Hillsdown Kless	846	282	-3	Whitbread "A"	2,400	367	-2
K1	1.100	£142	-0.3	Woolworth	795	863	+6

RISES AND FALLS YESTERDAY

1,165

# LONDON RECENT ISSUES EQUITIES

Issue		Latest Dromat	1987		Stack	Chaster	+ or	HeL	Times	- Eress	PΕ
Price	<u>                                   </u>		<del></del>		1	Price	_	Div.	Corre	Yield	Ratio
	•	Date	High	Low	į						
§180	F.P.	15/5	207	189	Aktoors20p	207	+2	R5.4	25	3.6	15.0
§1.15	F.P.	20/5	254	128	Bellarack 10p	154	+4	R3.2	3.7	2.8	12.9
977	F.P.	30/6	205	96	≨BondedLaminates).Op	97		124		3.4	] 27.0
ញ្ជាន	F.P.	85		133	Brooks Service Group			13.8		3.1	17.9
\$80	F.P.	8/5		150	#Berford Grosp	224	+4	M.2	3.2	0.73	57.7
R II	F.P.	l == 1	440	400	Cator Group 50p	440	*****	112.0		3.7	14.0
130	F.P.	85	732	129	Cambridge Issura. Sp	131	+1	R0.7	8.5	0.7	14.9
<b>9</b> 55	F.P.	12/6	96	68	+Combridge Isotope			R20.9	<b>  -</b>	0.66	<b>!</b> -
· \$200	F.P.			511	-ECastle Commus. 5p	228		R7.0	2.2	4.2	15.5
-=	F.P.	i .=	15	7.0	ChildhealthRes.Wmts	121/2				ļ.—	! —
115	F.P.		120	114	Church (Charles) Sp			R2.75		3.0	14.5
9125	F.P.	<b>1</b> – 1		145	#Colorgraphic 10p	385	******	13.0		2.2	21.5
- 61	F.P.		310	291	Contibe! 50p	295	-5		1.6	3.7	22.3
<b>9130</b>	F.P.	22/5		145	Cooper (Alas) 10p	145		14.0		3.8	14.6
925	F.P.		153	143	Cundell Group 10p			W3.19		2.9	15.6
\$135	F.P.	29/5	172	138	Doeffex 10p	172		13.45	2.50	2.7	19.8
2.0	F.P.	}. <u></u>	7775	83	ERA Group Sp	112		<b>*</b> -	l — I	1	<b>]56.</b> (
<u>5155</u>	F.P.	155	195	170	+Erreia Group 10p		+3	L4.0		2.7	19.
5120	F.P.		181	160	#Filofax 5p	180		42.7		2.0	24.3
<u>\$112</u>	F.P.	1/5	133	115	HaneysackleGr'p2p	127		R4_1	25	4.4	123
5120	F.P.	24/4	240	185	Mallett Sp	240	+3	#3.0		1.7	25.8
\$120 \$114	F.P.	295	127	120 114	#March Group 5p	120		L4.2		4.7	11.5
9114	F.P.	8/5			Melville Streetler,	122		14	12	1.6	1 —
225	F.P.	244	3512	25 225	Do. Warrants	3412			1-	_	ļ —
5106			352	1	Mercury Asset Mant. Sp	352	*****	R5.0		1.9	17.4
	F.P.	1/5	120 207	136	#Orchid Technology)	118		RQ2.57c		1.4	13.7
5180	F.P.		20/		Perpetual 10p			2.5		1.6	17.8
<del>995</del> 655	F.P.	3/6	102	96	RC0 10p	96		L3.91	2.1	55	]11.8
5140	F.P.	1/5	88 181	64	FRICE Group 10p	87	-1	u2.19		3.4	15.0
035			1007	163	#RelianceSecGroup5p	170		64.5		3.6	15.2
125	F.P.	=	230	163	#Select Appts_ lp		*****	125		15	32.
			260	205	#Sock Shop lext.5p	257		R1.35		7.2	49.7
€125 €140	F.P.		165 187	158	FUCL Group Sp	161	+1	12.5		21	22.7
3140	F.P.	15/5 16/3	竳	171	Waterglade Intl. 5p	187	+2	R3.25	35	2.3	15.4
6120	F.P.	294	器	13402		350		13.4	3.0	[32	14.7
6133	FP.		148	145 136	#Wyevale Gdp.Cen.50p		,	1263		1.7	28.
6177	[	223	هجم	126	YRM 10p	145	-2	R4.41	3.5	2.2	17.0
FIX	ED	INT	ER	EST	T STOCKS					•	

issae Price	Amount Pald	Latest	29	<b>67</b>	Stack	Closing	+
£	#	Date	High	Low		Price £	-
100 103.09 		295 295 296 138 138	High states of the state of the	304 14 100 243 253 109p	Asia Prop. 10.3, % Ist Mort. Deb. 2011  Barisam Grp. Cre. Red. Pri. 10p  BisconSpringhol-Int-brog. (vin LefE1)  Enst Anglian Water 7% Red Pri 1996-98  Ests. SeGenium new 114, % Ist Mr. Deb 2018  Friendly Houeld 4%, % Cru Cam Red Pri £1  GL. Portland Ests. 9%, his Mr. Deb 2016  Land Securities New 10% Ist Mr. De 255  Mid-Sussex. Water 10% Red Deb 2013/17  Battemide 37% L. L. a 2021  Morth Houeld Assoc. Br. % Gul. In. 2037  Peschap Property 9%, his Mr. Deb 2015  Pred Hidgs. Shape Cre. NV Pri. £1  Priest Marianolic Sc. Con. NV Pri. £1  Priest Marianolic Sc. Con. Use Lic 2000033	is is it is a second	-11 +1 +1 <sub>2</sub> +1 <sub>2</sub> +1 <sub>3</sub>
998.819 8.25 979.016 498.09	25 F.P. 22 E.S. 25 E.S. 25 E.	920 30% 20% 929 929 929 929	254 101½ 2417 180pm 294 34 274	7/4 18% 75pm 25% 30	Scot. Earstern Int. Tst. 91, % Deb 2020 Second Mix. (or. 24, % Car Ure Lif 94 TR City of Lon. Tst. 104, % Deb 2020 Tops Est. "New" 71, % Cox. Urst. Lif. 2014 Town Center Sec. 101, % 1st Mort Deb 2020 Tribace Iss. Tst. 94, % Deb 2012 Vanx 93, % Deb. 2015	155 AN	-4

	25 50 55	29/5 9/10 1/9	29% 34 27%	30 h	Gern Gentre Secs. 1013% 1st Mort Deb 2021 intere law Tra. 91.% Deb 2012	- 26% 34	
1980   1980			<u> </u>				
	Paid	Researc	<b>├</b> —		Stock		+
<u> </u>	<u> </u>	USER!	<u> </u>		<u></u>	P	-
150 154 17 105 470 150	MII MII MII MII MII MII MII	3/7 23/6 29/5 17/6 10/6	173pm 18pm 13pm 56pm 42pm 94pm 62pm	153pm 11pm 10pm 45pm 23pm 55pm 36pm	Brest Weller 10p Fisher (A.) 5p Fisher (A.) 5p Gold & Rese Metal(2)-p Inv. in Success Writs. Tyeack (W.A.) 10p Vaus Group, Waller (Alfred) 10p	173pm 18pm 13pm 56pm 39pm 55pm 55pm	4 1 2 4 4 1 4
Renuncia prospect pital, 9 A	stion date tus estima Assumed d	usually to tes. d. Di tividend a	ist day fo vidend ra od vield.	dealing (	ree of stamp day, a Associated divident regarder on part of capital, cover based of distributed and state of the capital cover based of		_

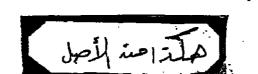
capital, 9 Assumed dividend and yield. In Assumed dividend and yield after step issue. F Dividend and yield after step issue. F Dividend and yield based on prospectus or other official estimates for 1966.7. H Dividend and Yield based on prospectus or carelogs. R Forecast annualised dividend, cover and pie based on prospectus or carelogs. R Forecast annualised dividend, cover and pie ratio based on prospectus or other official estimates. W Pro Forma Figures & Indicated dividend, cover and pie ratio based on prospectus or other official estimates, annual carelogs. R Forecast, or estimated annualised dividend; caver relates to previous dividend; pie ratio based on interaction annual carelogs. If Figures 8 is a previous dividend; pie ratio based on interaction of capitalisation. Placing price, §6 Reintroduced. Y Issued in connection with retorgardation merger or stakeover. B Alforment price. § Unlisted securities market. 17 Official London listing. ‡‡ Including securities market. 17 Official London listing. ‡‡ Including

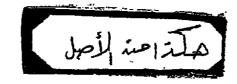
# FT-ACTUARIES INDICES

These Indices are the ioint com the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS					Thursday May 14 1987						Wed May 13	Ties May 12	Mon May 11	Year ago (approx.)
FI	gures in parenthes stocks per		aumber (	of Inde		ge   (Max	3 C	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xf adj. 1967 to date	index No.	ladex No.	Index No.	Index No.
1	CAPITAL GOODS	S (211)	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					2.90	17,45	9.07	908.7			714.70
2	2 Bullding Materials (27)		1146.				2.90	17.36	9.58	1140.1			796.80	
3 !	Contracting, Cons	Contracting, Construction (33)		1514.   2326.				3.15 3.33	18.78 23.38	18.65 31.62		1490.22 2318.99		1193.61 1936.13
4 5	Electricals (36)	ctricals (13) ctronics (36)			,	_		2.08	18.63			2044.30		
6	Mechanical Engin	eering (5	9)	501.			9	3.45	15.20	7.03		501.01		406.29
8	Metals and Metal	Forming	(7)	497.4		.   74		3.12	16.15	5.36	497.7			351.57
9	Motors (15)			338.4				3.14 3.25	12.88 19.74	3.24 18.43	336.63 1524.6			285.55 1290.54
10	Other Industrial M CONSUMER GRO	RAILE (1915) RAILE (1915)	اللك 13	1517.   1257.				257	21.30			1237.18		
21 22	Brewers and Disti	illers (22)						2.89	16.92			1159,14		
25	Food Manufacturi	ing (25)		954.				3.10	18.03	10.90	948.4			650.97
26	Food Retailing (1)	6)		2394.				2.33	24.91	11.45		2330.43		1842.03
27	Health and House							1.64 3.23	28.37 22.19		2329.5	1312.52	2313.27	
29 31	Leisure (31) Packaging & Pape	or (15)		652				2.53	21.62	4.97		636.20		
32	Publishing & Prin	ting (14)	pg://pg://	3747.	42 -0.4	4   5.7		3.02	22.12	33.22	3762.8	3697 <i>.</i> 31	3717.77	2335.51
34	Stores (36)		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	}T00A-				2.58	22.25	6.56		1081.77		
35	Textiles (16)			727.				2.89	14.73	5.63	725.0			509.55
40	OTHER GROUPS	(87)	** **** h-*****	1070.   1457.				3.12 1.68	16.51 27.54			0 1060.64 1 1444.43		776.18 0.0
41 42	Agencies (17) Chemicals (21)			1314.				3.29	16.40		1315.9		1325.88	858.99
43	Conglamerates (1	1)		1322				3.23	17.40			1309.38		0.0
45	Shipping and Tran	nsport (1.)	)	2170.				3.66	18.06		2159.6			1549.04
47	Telephone Netwo	rks (2)		1181.				3.17 3.13	17.23 12.74		11726	1169.65 1386.97		879 <u>.21</u> 1009.98.
48	Miscellaneous (25	<u> </u>		1399. 1131.			_	2.80	18.77			7 1115.69		823.52.
49	INDUSTRIAL GR			2118			_	4.36	23.91		2065.7			1170.35.
	51 Oil & Gas (17)				<del>- ,</del>	_	3.04	19.40	11.20		1194.42		8544.9.	
	59 500 SHARE INDEX (500)					<del>"</del> †•	3.%	47.70	11.06	737.2	+		593.95	
61 62	61 FINANCIAL GROUP(117)				18.1	18	4.81	7.27	15.49			770.50	628.41	
65	Insurance (Life) (	9)						4.12	J —			1019.95		808.01
66	Insurance (Compo	osite) (7)		537.			_1	4.55				541.04		499.87
67	Insurance (Broke Merchant Banks (	rs) (9)	<del></del>	1215. 384.			ן כי	4.43 3.26	14.69	2.04		1221.28	376.68	1210.96 352.87
68 69	Property (46)						14	2.62	31.19			1062.72		749.66
70	Other Financial (2	27) <u>.</u> .	******	476.:	78 +0.7	7 6.9	73 [	3.18	18.38	3.23	473.6			346.71,
71	Investment Trusts	(94)		1009.			<u>.</u>	2.31	l <u></u> -		1004.0			750.06
81	Mining Figance Co	2)		507.:   1040.				3.28 4.30	19.50 13.81	6.79 14.27	505.7. 1034.0			287.86 692.85
91	Overseas Traders			1096.			-	3.16	15.61			1069.34		779.75
99	ALL-SHARE INC	EA(124)		Inde		_	<del>,  </del>	Day's	May	May	May	May	May	Year
				No				Low	13	12	11	8	7	ago I
_	FT-SE 100 SHAR	E INDE	< #	2180	10 +16.0	6 2185	4 2	163.2	2163.4	2143.3	2163.	2126.5	2077.9	1575.7
_		-										Thers	Wed	Year
•	FI)	KED	NTE	REST	•				AGE GRI MPTION			May 14	13	(abbunr)
_		Thurs	0-4-	Wed	ni adi.	व्यव्याः			sh Govern		1			
	PRICE INDICES	May	Day's change	May	today	1987	1 2			yezrs		7.63 8.64	7.61 8.63	7.76 8.74
	IGNICES	14	5.	13		to date	1 3			years years		8.67	8.66	8.74 8.76
_	British Government						1		m :	years		8.55	8.52	8.88
اب		125.20	-0.05	125.26	_	4.38	5		ns 19	5 years		8.85	8.84	9.05
1	5 years 5-15 years	146.68		146.80		5.03	6			years		8.86 8.71	8.84 8.68	9.06 9.03
2	<b>-</b>	256.67		156.69	_	5.16	lέ			years years		8.98	8.97	9.17
3	Over 15 years	•		170.24	-	6.07	9	1	2	5 years		8.83	8.83	9.08
4	irredeemables	170.21		142.41		4.88	<u> 10</u>	_	emables	<del>-</del>	<u>t</u>	8.73	8.73	8.70
_5	All stocks	142.32	-0.00	145.41	_	4.60			-Linked		_			T
	Index-Linkesi								n rate 5%		5 yrs	2.21	2.21	338
6	5 years	122.79		122.76	_	0.83			ព rate 5%		5 ms	3.48	3.47	3.26
7	Over 5 years	120.62	-0.05	120.68	_	1.17			n rate 109 n rate 109		5 yrs 5 yrs	1,72 3,38	1.71 3.37	2.32 3.12 ;
8	Ali stocks	120.60	-0.04	120.65	_	1.13	<b></b> -	Debs d			<del></del>	<del></del>	9.63	10.10
إسم		<del>!                                    </del>						Loans o		25 yea	F5,	9.52 9.98	9.95	10.02
9	Debeatures & LOSIS	125.96		126.23	_	3.79	17		•	25 yea		10.04	9.99	9.94
70	Preference	37.15	+0.04	87.12	_	2.77		Prefer	rence		1	10.39	10.39	10.72
10	4 - C1 C+			_										

Opening index 2165.4; 10 am 2166.9 11 am 2174.9; Noon 2182.3; 1 pm 2181.5; 2 pm 2183.9; 3 pm 2183.4; 3.30 pm 2177.1; 4 pm 2175.2 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.





# WORLD STOCK MARKETS

AUSTRIA  May 14   Price   + or May 14   Price   + ar May 14   Price   + ar May 14   Price   + or May 14   Pric	ered)   Price   + su   Yen   -	CANADA
	475 +9 1230 +30 373 -5 698 -2	Sales Stock High Law Close Clong Sales Stock High Law Close Clong Sales Stock High Law Close Chong Sales Stock Wigh Low Close Chong
Lagriderhank [1809]   1809   1	1330 +10	TORONTO  \$800 Computing \$73, 73, +1, 278382 Laidiw B 1 \$211, 203, 201, 4300 Scotts C \$121, 121, -1, 4500 Leigh Inst \$5, 490 495 -5 40054 Seagram \$99 97 971, -15 1000 Comiteren 112 112 112 112 112 112 112 112 112 11
Step-Daimier   140   1450	5500	- Closing prices May 14 1000 Comisses 112 112 112 112 112 113 114 12 114 12 115 115 115 115 115 115 115 115 115
	2000 +70 615	137307 AMCA fat \$105a 105a 105a 105a 105a 105a 105a 105a
Because B	480 -2 - 2030 +10 - 2250 +50 - 6800 +100	SOUT ANSO CORN \$221, 271, 22 *** 1200 Costain Ltd. \$131, 131, 131, 131, 120612 Ment Ross 400 390 390 -10 14500 1860 Met \$251, 274, 281, 114
Debutso 3230	920 1080 +20 1820 -10 1930 +30	\$2855   \$2855   \$15\frac{1}{2}\$   \$15\frac{1}{
General Stant. 6400 +20 Knorhof 504.00 -1 Asta Cocco. 163 Stay 1.4 Price   + or Short Bank General Stant. 6400 +20 Knorhof 150.00 -2 Beijer A Fria 234 Stay 1.4 Price   + or Short Bank General Stant General Stant General Stay 1.4 R.K.S - Short Bank General Stant General S	1820 -10 1930 +30 -685 +15 -2850 -20 -4900 +70 -865 -8	\$2255 BGR A
Second   S	1980   +20   1980   +20   1980   +10   1980   +15   1980   +15   2850   +20   1250   +10   228   +10   228   +10   1360   +10   1360   +10   1360   +10   1360   +10   -3050   +70   617   +22   2150   +70   617   +22   -2150   +20   -20	13970 BP Centedta   \$25   244   247   -14   1399 Dickrism A f \$147   445   1
Petroffina	1760 -30 1760 -30 3470 3050 +70 817 +22	1900 Bramales 524; 241; 241; -14 1426 Direct A 5115; 155; -15 155; 155; -15 155; 155;
Solvey   10000   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50   Stanwick Intl.   450   -50   -50   Stanwick Intl.   450   -50	2150 2370 +20 2740 8500 +30 1430 +20	B6788 Brasciat A   \$336   \$372   \$373   \$-14   \$4583   \$560   \$889   \$3514   \$545
Secretar	1430 +20 1920 1640 +20 765 +13	38625   Algorité 31   515   151
100006m	2570	145825 CAE \$111_2 111_4 11_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 11_4 11_4 11_4 111_4 11_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 11_4 11_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 111_4 11_4 11
East Aslatic 197 +3	717 -3 2800 +10 3630 -20 1740 +20 1350 -40	24200 C NOT West \$23 22% 22% 22% 1 3 14309 Gulf Can 5235 325 325 +5 24790 Pine Print 513 120 121 +1
Novo inds. *		
Maiscenent   9500   -800   Maif-Rocke (Pt Cts)   133,500     All Nippon Air   1890   +40   La Rinascianti   1251   -39   Hori-Rocke 1/10   1225   -75   Alas Electric   1540   +80   SINGAPORE	l <b>e</b> in l	1 3300 C MALLURII 3 194 194 T 19   721R1 Impeen
Price   Pric	1.85 +0.05	13378 C Occidentes 3431, 41 4114 - 114 15199 imp Oil A 576 7413 7423 - 12 109203 Ranger 3514 714 818 14 14 14 - 114 307386 CTIR A 1 316 142, 241, 241, 241, 241, 241, 241, 241,
Rone 27.3.5	1.85 +0.05 -5.60 +0.1 -4.18 +0.06 -14.40 +0.3 -6.70 -0.05 -4.82 +0.3 -3.64 +0.04 -4.86 +0.2	200 CUNI B 3192 197 197 384 29 1 15385 Innopac 397 94 97 1 1 1 2900 Rio Algorn N 227 227 227 1 15886 Confort 3297 2814 29 1 15385 Innopac 397 94 97 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Startmann 97	7.95 +0.1 2.34 +0.01	1001 Certain in 342'2 21'8 22 - 4 84785 Lahatt \$241, 24 241, +1s 5350 St Certain 251, 261, 263, 364 Bart Bart Bart Bart Bart Bart Bart Bart
Wartsfa 15.111 20.5 1 - 5   AEGON 94.1   -0.5   Swiss Reinsta 16075   +25   Eisai 1890   +20   Multi Purpose 4370   +70   OCBC	0.84 9.45 +0.15 3.94 +0.06 2.45 +0.23	8051 Chiefton \$15% 144 15% +12 30748 LL Lac \$4912 485% 4814 -16 37099 Sceptre \$51% 475 51% +3212 1133 SteinbrgA \$3374 3774 3774 3774 +13 122543 Commicc \$19 185% 1876 1 71628 Laidlaw A \$23 2212 2212 9250 Scotts 1 \$121% 117% 121% +1% Total Sales 10.890,826 shares
Frestro Cert	0.84 9.45 +0.15 3.94 +0.06 2.45 +0.23 3.50 +0.13 8.15 +0.1 4.30 +0.04 3.18 +0.04 5.25 +0.05	Indices
Accor	1525 140.05	NEW YORK-DOW JONES    May May May May May 1987   14 33 12 11   High   Low
Air Liquide 714 -63 BLC 765 BNP (Cert. fiss.) 590 -110. Heinelsen 176.5 BNP (Cert. fiss.) 590 -110. Heinelsen 176.5 Buypats 1235 -10. Horter Douglas 53. +0.5 Buypats 2770 Horter Douglas 53. +0.5 BSN Cervais 51.70 -70 HC Calisant 22. +0.5 BSN Cervais 51.70 -70 HC Calisant 22. +0.5 BSN Cervais 51.70 -70 HC Calisant 52. +0.5 BSN Cervais 51.70 HORTE 52. +0.5 BS	A	May
C1T-Alcated	Price + er	Transport S76.84 967 43 856.87 951.38 957.38 968.28 964.64 816.38 864.64 [8/5/87] [2/1] [8/5/87] [2/1] [8/5/87] [8/7/32] [8/7/32] [8/7/32] Credit Addies G9/12/841 128.32 189.59 190.32 191.05 230.60 (2/1) 188.32 (14-5) 861.50 (9/1) 878.32 (14-5) 878.3
	18.00 135 38.25 -0.25 79.75	198566 283.82 205.91 288.97 283.71 285.49 287.22 227.83 188.58 227.83 18.5 88.4732
Essior 3440 +180	38.25 -0.25 79.75 +5 22.50 +0.25 26.50 +0.25 74 +1.5 4.85 +0.05	Units General (1975) 518.0 518.40 517.7 517.5 519.1 (7/5) 425.2 (5/1)   April April   April   Year Ago   Approx   FRANCE
1   1   254   25	485 +0.05 5.70 -0.05 41 +0.75 84 +0.5 57.50 +1	Ind Div Yalid % 2.99 2.88 2.88 3.55 Fed Testing CB/1286 112.30 113.30 113.30 113.30 113.10 117.2 (26/3) 97.8 (27)
Man Herney 2000 - 10 Maleon Hides - 7.12 +0.02 Missis Corp - 1610 +90 Maleon Hides - 100 Missis Corp -	78 6.70 19.50  19 113	FAZ Aution (31/12/58) 571.84 594.96 590.06 594.10 676.84 (6/1) 538.32 (19/3) Commerchank (1/12/53) 1788.30 1799.60 1782.80 1796.60 2048.3 (6/1) 1633.8 (19/3) Hong Kilner River Ri
Period Bicard - 1085 -15 Nay 16 Price + ar Eders M. 466 +0.06 Massi Back - 2750 +70 Russ Plats	113 54.62 26.50	Name
Reduite 3245 -31 Den Norsk Credit 159 +0.5 Industrial Equip 460 -0.1 Niko Sec 2870 +10	20 59.50 +0.75	Composite 294.24 292.36 283.36 281.97 282.37 284.71 381.95 (2/1/87) (2/1/87) (2/1/87) (2/1/87) (2/1/87) (2/1/87) (3/1/87
Rivestel-Uclaf   1622   +16	es. # Dealings sus-	April   April   April   Yest Ago (Approx)   APP CBS Gen (1970)
Seftimeng	ed. no Ex scrip issue. 1. * Price in Kroner.	Ind dis yield %6 2.52 2.54 2.47 2.98 NORWAY Old SE (47)833 411.77 412.41 414.25 436.16 (244) 361.98 (271) Lang Gay Bend Yeld 8.32 8.38 7.88 7.78 SINGAPORE
OVER BUILD COLUMEED	<del></del>	Straint Times (3012%6) — 1204.94 1180.52 (c) 1156.20 1204.94 (145) 889.08 (271)  M.Y.S.E. ALL COMMENDS SUSSES ARED FALLS  SOUTH AFRICA  JSE Gold (229/78) — 1941.0 1951.0 1977.0 1878.0 1941.0 (145) 1878.0 (271)
OVER-THE-COUNTER Nasdaq national market, closing prices		May May May May May 1987
Size: Sales High Low Last Chang (Hods)  Size: Sales High Low Last Chang (Hods)  Continued from Page 39  Continued from Page 39	190 <sub>4</sub> 190 <sub>4</sub> - 1 <sub>5</sub> 190 <sub>4</sub> 190 <sub>5</sub> - 1 <sub>5</sub> 183 <sub>5</sub> 183 <sub>5</sub> + 3 <sub>6</sub> 61, 67 <sub>4</sub>	14 13 12 11 Rept Univ Issued traded 1,981 1,978 1,978 1,978 1,978 165.78
Novetis 50 1106 26 2512 2516 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	273, 28 - 1, 251, 251 <sub>2</sub>	Switz Bank Corp (31/1258) 598.60 599.00 599.4 599.3 603.3 (6/1) 564.5 (25/2)  TORONTO (887) 1987 (1977) (6) 473.90 475.77 476.50 (985) 243.7 (291)
O O Rainer 1.16 13 1955 451 46 46 - 1 Sounet 29 33 211, 211, 211, - 1, US Sur 40 23 391 281, CMI Co St 1671 51, 51, 51, 51, 51, 51, 51, 51, 51, 51	2914 2394 3592 3592 - 12 1914 1924 - 14 3078 3078 - 14	Marie & Minis   Marie & Mari
All 1 and at 14 dat 98 19th = 1   daily 98 19th 98 19th 98 19th 98 11   Opening 12   Opening 12	. 8%, 8%, − % V	Composite 3,02.9 3,02.9 3,02.9 3,02.5 3,02.5 3,02.6
Chiachian 68 8 177 4114 4112 4112 4112 4112 4112 4112	274 - 72 44 44 - 72 169 869 3272 334 49 + 16 1514 1514 + 14 152 1514 - 1 1514 1514 11 1514 1514 11 1515 5505 5505 - 14	NYSE-Consolidated 1500 Actives TOKYO - Most Active Stocks
Cheelic 32 7 643 16% 17% 16% + 16 Rhooff 20 337 3314 3314 3314 3314 3314 3314 3314	154 154 14 1 384 364 105 106 - 1	Stocks 3.60s.m. Change Stocks 3.50s.m. Change Traded Price or Day Irreled Price on Day ATT
Coractes         80 3139 u291g 271g 28 + 7g         28 + 7g         Readel         40 156 231g 23g 23g 23g 23g 23g 23g 23g 23g 23g 23	15 15 + 1 151 151 + 11 50 50 50 - 1	Nex Seel
PCS 54 16 29 28 28 27 - 1 Rosses 70 67 1912 75 354 362 5 1 Symbl 35 638 294 34 27 WD 40 1.32a 21 303 334 PNC 1.82 10 642 48 45 4 1 4 4 4 4 1 4 5 4 1 4 5 5 1 4 7 4 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	W 324 324 - 5 204 205 + 1 135 135 + 5 104 104 + 1 175 176 + 1	
	200 200 - 1	Have your F.T. hand delivered
Partisan   16 31 22 2112 2113 2114 - 14   SCORIJ   20 5 13 17 124   20 17 17   20 17 17   20 17 17 17 17 17 17 17 17 17 17 17 17 17	185 + 12 1 20 1 20 1 20 1 20 1 20 1 20 1 20	
Pentheri 88 13 52 30 287 287 287 287 287 287 287 287 287 287	812 812 - 14 1072 11 1412 16 + 15 1914 1938	every morning in The Netherlands
Periment 13 57 2914 29 28 28 - 14 Saleco 1.70 7 220 5814 582 189 189 189 18 - 14 Pacific 1.60 203 1818 1814 1814 1818 1819 18 - 14 Saleco 1.70 17 1800 224 2714 1814 1814 1819 1819 1819 1819 1819 18	2012 2012 - 12 14% 15% + 12 15 15% + 14 23% 24 - 1	If you work in the business centres of AMSTELVEEN, AMSTERDAM, BAARN, BLARICUM, BUSSUM, DELFT, DIEMEN, EINDHOVEN, GRO-
Phrmc. 15a 29 710 234 23 23 - 4 Scherer 32 241 155 164 164 171Cmmt 220 464 42 434 +14 Webs 34 58 24	231 <sub>2</sub> 231 <sub>2</sub> - 1 <sub>3</sub> 40 <sub>4</sub> 45 + 1 <sub>4</sub> 48 451 <sub>4</sub> + 3 <sub>4</sub>	NINGEN, HAARLEM, THE HAGUE, HEEMSTEDE, HILVERSUM,
Promoted 56 29 710 231s 23 23 25 - 1s Scherer 32 241 35 1912 1914 1914 1914 1915 1131s 131s 131s 131s 131s 131s 131s 1	48 484 + 34 175 185 + 5 147 185 + 1 287 287 - 1 107 107 87 8	HUIZEN, LAREN, LEIDEN, LEIDERDORP, LEIDSCHENDAM, NAAR- DEN, OEGSTGEEST, RIJSWIJK, ROTTERDAM, SCHEVENINGEN,
mark as no	184 185 - 1; l	SCHIPHOL, UTRECHT or WASSENAAR—gain the edge over your competitors.  Have the Financial Times hand delivered to your office. Then start every working day
PrishCD 50 16 14 1614 1614 1614 1614 1614 1614 16	16, 16, 1, 1, 15, 15, 15, 15, 15, 15, 15, 15,	fully briefed and alert to all the issues that affect your market and your business.
Presci 3 2 3 5 16 14 16 14 16 14 16 14 16 14 16 14 16 14 16 14 16 16 14	Z 284, 254,+ 1, 25 254,+ 1, 124, 15 + 1,	
Prvite 94 6 901 21% 21 21% + 1 StienGr 72 1488 25% 25% 25% 25 + 1 UTL 25 778 18% 27% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	134 134 - 4 164 164 - 1 18 184 + 4 327 327 - 4 184 185 + 1	12 FREE ISSUES
PyrmT 17 1014 10 1014 - Sivisible 453162 24 29 271-18 Unified 1140 1314 1214 1214 - 3 Similar 9 523 8 77g Unified 1140 1314 1214 1214 - 3 Similar 9 523 8 77g Unified 1140 1314 1214 1214 - 3 Similar 9 523 8 77g Unified 1140 2015 2014 2015 2014 2015 2014 2014 2014 2014 2014 2014 2014 2014	15 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	When you take out your first subscription to the F.T., we'll send you 12 issues free.  Then see for yourself why William Ungeheuer, Time magazine's senior financial
Quanting 26 577 254 244 244 4 Socients 1.20 9 136 324 314 324 + 14 UACINE .04 148 194 234 259 2554 4 2010911 1473 17	~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

GEC \_\_\_\_\_\_\_ 237
Jerome (S.) \_\_\_\_\_ 212
Kleinw, Benson 522
Lamont Hidgs 291
Mercury Intl. 389
Polly Peck Intl. 305
Southend Stad 723
Tomkinsons 453
Wade Potts 258
W Greenbank 116

Chief price changes

Christies Intl. 550 +22
Cowie (T.) 528 +26
Delyn Pekg 513 +51
El & Goldstein 109% + 9
Eng Ch Clays 458 +16
Ford (Mart) 112 +11

LONDON (in pence unless otherwise indicated)

RISES:
Atlantic Comp. 727 +35
Bank of Ireland 258 +13
Bess 991 +22
Blenheim Exh 310 +25
Brit Land 249½ + 0
BP 356 +14

+ 8 +25 +13 +19 +17 +11 +56 +23 +25 +10%

Wellcome...

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> Amsterdam (020) 239430 And ask Richard Willis for details.

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# FINANCIAL TIMES

# **WORLD STOCK MARKETS**



# Improved trade figures fail to inspire buying

**WALL STREET** 

Street stock and bond markets congained 5% to \$31%, Morgan Stanley tinued to drift in tandem yesterday, slipped 5% to \$74% and A. G. Edwrites Roderick Oram in New wards was off \$% to \$30%.

March was in line with forecasts, the longer term trend for US trade performance remains unclear. The dollar held steady on the news while bonds showed modest losses.

The Dow Jones industrial average closed down 4.19 points at 2,325.49. Blue chips lagged behind the rest of the market for the first time in three days. The Standard & Poor's 500 index added 0.25 to 294.23 and the New York and American stock exchange composite indices edged up 0.06 to 165.76 and 0.35 to 336.93.

NYSE volume of 152m was the lowest in 10 days with an almost equal number of stock rising as fall-

In contrast to the blue chips, the Dow Jones transportation index set a record for the second day. Boosted by railroad and airline stocks it rose 8.56 to 976.05.

Among its components, AMR, parent of American Airlines, added \$% to \$58, Burlington Northern rose S1 to \$74, Santa Fe added \$\% to \$44%, Delta Air Lines advanced \$% to \$53%, USAir gained \$% to \$45.

Takeover speculation continued to push a number of stocks. Allegis added \$1% to \$71% despite the news earlier this week that Boeing, down \$% to \$45%, was taking a 14 to 16 per cent shareholding in Allegis as part of a deal to sell aircraft to Allegis's United Airlines subsidiary.

General Mills rose a further \$3% to \$54% after a \$6 jump on Wednesday as rumours continued that RJR-Nabisco, up \$2 to \$51% was considering a bid for it.

International Controls gained \$3% to \$43%. ICC Acquisition Corp raised its bid for the electronics and aerospace group to \$42.50 from \$32 a share and extended its offer to all the company's common shares.

\$105%. It installed its own execu- put on C\$% to C\$46%. tives at the top of Kidder Peabody, the Wall Street investment dealer it up C5% at C\$25%, Falconbridge C\$% acquired majority control of last

Brokerage shares were mixed however, fell back. yesterday despite the setback for the government's apparent diffi- ver fell back.

culty in bringing insider trading cases. It dropped charges against three Wall Street executives. Sal-FAILING to respond to the reduction in the US trade deficit, Wall ton added \$% to \$33%, E. F. Hutton added \$% to \$36%, PaineWebber

ork. Among oil companies, Royal
Although the \$13.6bn deficit in Dutch Petroleum jumped \$5% to \$134 after reporting a small decline (in sterling terms) in profits in the first quarter and British Petroleum added 52% to \$71%.

Minstar rose \$\% to \$22\%. Share holders of the company, which is the primary vehicle for Mr Irwin Jacobs, the corporate raider, were told investment bankers are seeking ways to enhance the value of Minstar's stock.

Credit and foreign exchange markets responded little to the March merchandise trade figures released yesterday morning. The deficit of \$13.6bn was in line with forecasts but showed hardly any improvement from the average of January (\$12.3bn) and February (\$15.1bn). The US deficit with Japan was virtually unchanged with no prospects. judging from Japanese figures already released, of an improvement

Bond prices drifted in a narrow range slightly below the previous day's close, the 8.75 per cent new Treasury benchmark long bond finished the day off 1/2: of a point at 100%, close to its low for the day yielding 8.72 per cent. Three-month Treasury bills rose about 25 points.

#### **CANADA**

OIL AND METAL shares held firm in busy Toronto trading but weakness in most other sectors restrained overall gains. Dome Petroleum shed 8 cents in

busy trade to C\$1.30 before the meeting at which shareholders gave their verdict on the Amoco takeover proposal. Also in oils, Gulf surged C\$1% to

be company's common shares.

CS33% after Wednesday's higher
General Electric gained \$1% to first quarter results. Shell Canada Metals also featured, with Inco

> higher at C\$23% and International Corona up CS% at C\$43%. Golds Montreal gained slightly. Vancou-

# SOUTHAFRICA

THE RISING bullion price and re- Among leading golds, Vaal Reefs newed investor confidence lifted Jo- rose R10 to R435 and Randfontein hannesburg stocks strongly yester- added R5 to R475. Platinums were day, with the industrial index edg- little changed, but diamond stock ing up 10 points to a new high of De Beers moved ahead 50 cents to

Combined with the strength of gold shares, the overall index was also at a record, up 6 at 2.410.

Industrials saw Barlow up 25 cents at a new high of R26.50.

Alan Cane on a computer which gives stock answers

# Race to provide UK 'talking prices'

BRITISH Telecom, the UK's from the stock exchange's Seaq dominant telecommunications supplier, and Telephone Information convert the numbers into comdominant telecommunications supplier, and Telephone Information Services (TIS), a tiny UK information vendor selling weather forecasts and horse racing results, are locked in battle for the lion's share of a new and potentially lucrative market for low-cost share price information.

Both announced their new services at midday yesterday. Both had altered their planned launch dates to avoid being upstaged by

The British Telecom service, Citycall Portfolio, an extension to its existing Citycall phone-in price service, and TIS's Teleshare are both based on a sophisticated computerised voice re-sponse technology common in the US but still comparatively

rare in Europe. They both take computerised share price information straight puter-generated speech. Subscribers have access to the

information by calling a designated number. They can then "talk" to the computer by keying in four-figure codes from their telephone key pads. A computer generated voice replies, giving the requested information. A "touch tone" or "multifrequency" telephone has to be

TIS gives each subscriber such a telephone as part of its £35 (\$58) registration fee; British Telecom, for its £25 registration fee provides a tone generator, a small key pad which makes a conventional telephone behave like a touch tone model.

Touch tone/voice response sysns have been used extensively in the US. Dow Jones, for exam-

rival such a system and Dun & Bradstreet operates a voice response credit clearing service.
Its use in the UK has been lim-

ited by the lack of touch tone telephone handsets, but the Trustees Savings Bank two weeks ago launched a home banking service based on the chnology. British Telecom and TIS are

using different systems, although the basic technology is similar. Yesterday, they were trumpeting the individual merits of their services. British Telecom claims to be cheaper with a £25 registra-tion fee and £25 yearly subscrip-

of £35 plus £35 annual subscrip tion but it is faster than Citycall and provides special messaging services for professional advisers

ier but losses were trimmed by

BASF's modest rise in first quarter

results which followed Bayer's im-

lost DM 4.30 to DM 308.50 and Ho-

echst eased DM 1.70 to DM 282.50.

Bundesbank bought DM 155.6m

Amsterdam was mixed with Roy-

al Dutch's first quarter results pro-

viding the main focus in a market

awaiting the US trade figures. Roy-

597.80 and Akzo was unchanged at

Paris fell back further on profit-

taking with sentiment dampened

by the dollar outlook, interest rates,

a strike by the communist led CGT

federation, and inflation. French re-

tail prices rose 0.5 per cent in April

Zurich was mixed to lower in

after a 0.1 per cent rise in March.

quiet trading, with banks and insur-

ers coming under selling pressure.

obless figures and hopes of a bet

inflation rate provided a lift.

Madrid pursued its rally as lower

al Dutch added F1 8 to F1 265.10.

9.2m on Wednesday.

# # EUROPE

# Brussels hits record as political crisis recedes

CORPORATE news and domestic developments determined the mood in European bourses yesterday. Belgian shares rose to a new peak as worries over the linguistic row

Brussels picked up strongly although relatively thin trading exaggerated movements. The stock exchange index gained 37.11 to a record 4,665.74 when a temporary solution to the language solution emerged and the immediate threat to the Government diminished.

225 to BFr 11,175, breaching the 11,000 level for the first time. Royale Beige was unchanged at little immediate impact. BFr 8,000 following French insurer Frankfurt trading was UAP's purchase of a 4.6 per cent by Deutsche Bank's

Underlining investors' relief, market leader Petrofina rose BFr

war off Axa, another French insur-

225 to BFr 14,350, Milan recovered to a mixed to firmer close on the first day of the lower at DM 625.50. Co-chairman F. new trading month, although some Wilhelm Christians said operating investors remain cautious in the profit fell in the first quarter and run-up to elections in a month's securities business declined as ex-

eign securities appeared to have 260 and DM 327.

Karen Fossli in Oslo.

KEY MARKET MONITORS

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through non-Norwegian brokers

LONDON

GOOD company news and bullishness over opinion polls show-ing strong pre-election support for the Thatcher Government spurred the London equity market to record territory. The FT-SE 100, index climbed 16.6 to a new peak of 2,180.0, while the FT Ordinary index gained only 3.7 to close at 1,684.2.

Gilts eased in slack trade although optimism over interest rates continued to give the market support. Details Page 36.

Frankfurt trading was dominated by Deutsche Bank's one-for-15 F1 133.80. stake to help Belgian companies rights issue and share prices generally turned lower while many investors were sidelined. The easier Elsewhere, Reserve added BFr 5 dollar provided an unhelpful back-to BFr 3,750 and Sofina gained BFr drop and the Commerzbank index lost 11.3 to 1,788.3.

Deutsche Bank finished DM 13.50 The Government's move to lift weak, with Commerzbank and the restriction on purchases of for- Dresdner both DM 4 lower at DM

"If foreigners trade in Norway

so this will have an effect on the

Unlisted stocks will avoid Oslo tax THE OSLO Government made week, the Oslo bourse went into its The spokesman also believed that clear vesterday that its controver- steepest nosedive for at least four if the proposal is agreed by parliasial plan to impose a two per cent share turnover tax will apply to all and yesterday the index rose 0.68 to stocks listed on the bourse and to 318.45 in thin trading.

> day that overseas investors were re- way and one for those traded domestically by Norwegians. In addition, companies might take the view there was something to be gained from not being listed, "and that's ridiculous, because

one for shares traded outside Nor-

those companies will not be controlled," he said.

# Amsterdam aims to London

AMSTERDAM's stock exchange which already lists more foreign shares than domestic ones, is energetically promoting trade in overseas stock in a bid to compete with London as Europe's share dealing centre.

The bourse is beginning with its Japanese connection. Its chairman, Baron Boudewin van Ittersum, has said he wants to make Amsterdam the European centre for Japanese equity, and the bourse already quotes more Japanese stocks than any exchange outside Tokyo.

The exchange is now forging ahead with plans for a trading link between Amsterdam and Tokyo. A representative office was recent ly set up in Tokyo to speed up the job of linking yen-denominated trading in 24 Japanese stocks, two of which were listed in Amsterdam earlier this year.

Three of Japan's leading brokerage houses - Nomura, Daiwa and Yamaichi – have also joined the Amsterdam exchange with the understanding they are there to help foster trade.

Amsterdam is also seeking to buoy trade in US shares and, again, the bourse lists more US stocks than any exchange outside Am-

representative office was set up provement on Wednesday. BASF was off DM 3.80 at DM 279, Bayer last year in New York to draw more US companies to the bourse and three brokerage firms, Merrill Lynch, Prudential-Bonds were again lower and the Bache Securities and Drexel Burnham Lambert, are expected worth of paper after selling DM to join the bourse soon. The Dutch capital is touting itself

as a key European link in in-creasingly global securities trading. A quotation in Amsterdam, it is argued, plus the home market can provide virtally 24-hour deal-Philips was off 10 cents at F1 ings given time differences. The 47.80, Unilever rose Fl 2.80 to Fl bourse has accepted foreign members for years

While London, already a bigger in-ternational financial centre than Amsterdam, is just as eagerly seeking a larger share of the global securities business, the Dutch capital believes it can compete. The stock exchange points, for in-stance, to its streamlined Am-

sterdam Security Account System (ASAS), in which foreign shares are traded in the homemarket currency with the same settlement system and dividend payments.

The physical stock stays in the country of origin and a computerised book entry is made in Amsterdam - a system which is claimed to be simpler than using bearer certificates.

ASAS cuts costs so that share prices are "almost identical" to those of the home market of the quoted foreign company, while dealing is faster and cheaper than going to the home ex-change, the bourse says.

At the moment, however, volume in foreign securities still accounts for only 3 per cent of overall turnover on the exchange, although ASAS dealings jumped by 20 per cent last year.

# Yen optimism spurs rally to fresh high

TOKYO

BLUE CHIPS and stocks related to domestic demand led a broad rally Nikkei average to a record high, several hundreds of billions on the writes Shigeo Nishtwaki of Jifi Tokyo Stock Exchange and 2.805

Large-capitals were cheaper however, as institutions neglected the stocks.

The market barometer of 225 select issues rose 288.25 to 24,851.44 24,608 scored on Monday. Volume was 1.18bn shares, compared with Wednesday's 1.13bn. Gainers far outpaced losers 614 to 292, with 114 The Straits Times industrial index issues unchanged.

The Finance Ministry's unusual request for financial institutions and trading houses to refrain from speculative foreign exchange deals caused stock prices to plunge on Wednesday. But buying accelerated yesterday as investors judged that the yen's stability at the present rate of over 140 to the dollar would

benefit the Japanese economy.

Export-oriented blue chips advanced accordingly. Many such com-panies have been struggling to break even at an exchange rate of 130 to the dollar, and investo think an exchange rate of over 140 should sharply improve profits. Investment trusts' purchases also helped them up, market analysts

Nisshin Steel topped the actives with 90.10m shares changing hands, finishing Y9 higher at Y416. But buying of other large-capital stocks was low. Nippon Steel retreated from first to fourth on the list with 30.26m shares traded, losing Y5 to Y373. Nippon Kokan dipped Y3 to

Matsushita Electric Industrial gained Y30 to Y1.680, and TDK and Victor Co. of Japan (JVC) added Y70 each to Y3,050 and Y2,030, respectively. Fuji Photo closed Y50 higher at Y2,940 and Nippon Kogaku Y35 up at Y690.

Constructions were also in de-mand, with Taisei Corp. jumping Y100 to Y1,290 and Ohbayashi Corp. Y70 to Y1,280. Among housing-related stocks, National House Industrial and Daiwa House continued to rise, posting increases of Y130 to Y2,130 and Y90 to Y2,470, respectively. Shokusan Jutaku registered a daily limit advance of Y100 to Marubeni rose Y28 to Y588 and

Mitsubishi Corp. Y90 to Y1,610. Mitsui and Co. was Y17 up at Y932. NTT continued to slide, falling Y20,000 to Y2.96m.

The bond market remained turbulent. Prices opened cheaper after a of Japan is considering measures to cool off the bond market, which is increasingly marked by speculative trading.

The yield on the 5.1 per cent gov-

Wednesday's 2.580 per cent at the start but fell to an all-time low of 2.550 per cent on later buying. The yield turned up again when domestic demand led a broad raily Nomura Securities was reported to in Tokyo yesterday which took the have cancelled buy orders worth per cent in inter-dealer trading.

#### SINGAPORE

STRONG BUYING by institutional surpassing the previous high of and small-scale investors pushed Singapore share prices to their third successive record close with volumes also reaching a new high. climbed 24.42 to the new peak of 1,204.94 in a peak turnover of 79.7m shares compared with Wednesday's

Despite scattered profit taking, demand remained firm for both blue chips and more speculative is-sues. Gains outpaced losses by 144 to 47 with 158 shares unchanged. Hotel share Ming Court led advances by adding 52 cents to S\$4.52. Singapore Airlines again moved ahead, by 30 cents to S\$14.10.

#### **HONG KONG**

A LATE buying spree pulled Hong Kong prices higher after a choppy session peppered with profit taking. The Hang Seng index closed up 20.39 at 2,853.92.

Financials were perked up by a Hongkong Bank report giving a ro-sy prognosis for the sector. Hong-kong Bank itself added 20 cents to HK\$8.25, while Bank of East Asia gained 30 cents to HK\$22.30 and Hang Seng Bank stayed at HK\$37.75.

Hutchison, trading ex-dividend. ex-rights and ex-stock split, fell HK\$10.75 to HK\$46.75. Cheung Kong was steady at HK\$41.25. Elsewhere, Hongkong Electric

added 20 cents to HK\$14.30 and Hong Kong Telephone 10 cents to

# **AUSTRALIA**

WEAKER OVERNIGHT metal prices and a fall in overseas buying left Sydney prices slightly easier, although the market found some support from a favourable reaction to the Government's economic statement on Wednesday and a cut in the Central Bank's main indicator interest rate. A further damper was market

disappointment at Westpac Banking's 8 per cent reported fall in first half operating profit.

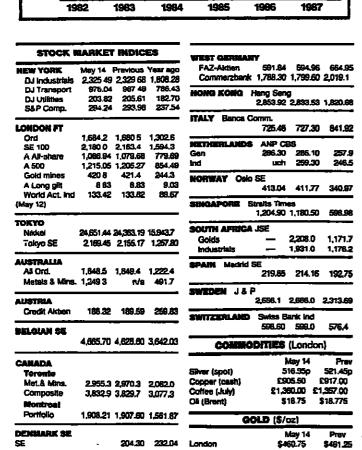
The share fell 14 cents to A\$5.08.

newspaper reported that the Bank The All Ordinaries index closed 0.6 off at 1,848.5. Golds suffered from news of the

coup in Fiji, where Australian companies are exploring. Emperor fell 80 cents to AS9.10. Diversified minerrment bond, due in June 1996 ers also weakened. BHP fell an-rose sharply to 2.655 per cent from other 15 cents to AS10.15

# **DOLLAR WORRIES RESTRAIN FOREIGN INVESTORS IN BONDS AND SHARES**

# **Madrid SE** 200 100



Paris (fixing)

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112.30 113.0

CAC Gen

# End of month figures Rubber Spot 🕰 70

all Norwegian investors, writes A bourse spokesman said yester-

muhlished in the revised budget to- activity in a previously "dormant"

will not be affected, nor will unlist- they will be taxed like Norwegians,

When the plan was leaked last volume traded outside Norway."

day, foreign investors who trade stock market.

But under the proposal, due to be sponsible for the recent increase in

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FFr 5.9825 5. SFr 1.4890 1.47	.97 10.00: 10 2.48		8% 1997	99***	8.542	9075	8.55
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Lina 1,295 1,294			8% 2017		8.709	100%	8.73
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(3-month offered rate)	May 14	Prev	1-30	163.17	+0.23	6.93	-0.03
£	811/1	8%	1-10	154.63	+0.12	6.66	-0.03
SPr	3%	31%	1- 3	144.03			
DM	3144	3'%			+0.07	6.37	-0.03
FFr	8%	8%s	3- 5	157,57	+0.17	6.71	-0.03
FT Loaden Interbenk	ومندا		15-30	193.58	+0.59	7.78	-0.03
(offered rate)	-	_	Source: A	Aerrill Ly	nch		
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			AT - T -	Price	Yield	Price	Yield
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lune 81-01 91-						91.13	9.50
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June 94.04 94.		94.06	Arco 9%	Month 9	OHA.		
Certificates of Depos	it (Minn)		3A	101	9.77	101.17	
51m points of 100%							8.75
	/& n/s	93.26	General	Motors	Bis April	2016	
LONDON				84.25	9.77	93.96	9.80
Three-month Eurodol	ler		Citicorp	9% Men	rh 2016		
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	1-3 144.03	+0.12	6.37	-0.03	nes
	3-5 157.57	+0.17	6.71	-0.03	in. γ
	15-30 193.58	+0.59	7.78	-0.03	den
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	91.408	9.45	91.13	9.50	men
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	96.436	9.35	96.15	9.40	chal
	Arco 9% March 20	016			CODS
	101	9.77	101.17	8.75	
	General Motors	8% April	2016		Bu
	84.25	9.77	93.96	9.80	so lo
	Citicorp 9% Marc	h 2016			num
	• • •				tol o

# apanese interest was reduced se rates took some of the steam

#### BY TERRY BYLAND IN LONDON TRADING LEVELS in both UK Weakness in oil shares in New Government bonds and ordinary shares fell back last month as re-newed uncertainties over the US caution of Japanese investors, reduced turnover in the large alpha dollar trimmed participation by

However, the last days in April a revival in business as UK se rates were reduced and mars sensed an imminent UK genfurnover in all securities, includ-

equity and fixed interest, fell 23 Margaret Thatcher. cent to £126.6bn (\$211.5bn) with th sectors showing a dip of simi-size. Trading in gilt-edged secu-ies, which surged in the preced-g month, was 25.5 per cent down £94 43hn

part of the month by nervous-s surrounding trade discussions Washington between US Presi at Ronald Reagan and Japanese mier Yasuhiro Nakaso rading in short-dated British ts fell by one third to £28bn as first of two recent cuts in bank

lowever, Government bond es edged higher over the month, h the Financial Times Governnt Securities index gaining a fur-1.14, to 91.69, as the gains iked up earlier in the year were

usiness in equity stocks was alower both in terms of cash and ber of bargains. The money total, at £27.39bn, was 15 per cent lower than the March figure, and bargains dropped 26 per cent to York, combined with the general est in the London markets was unstocks on which the equity market depends for its major revenue.

UK turnover falls back in April

Equity market indices followed an erratic pattern over the month. but picked up strength as UK opinion polls began to indicate an early election on terms favourable to the Government of Prime Minister

The Financial Times Ordinary index climbed a net 34.9 points over

derlined last week when Sir Nicholas Goodison, chairman of the Stock Exchange, disclosed that about 25 per cent of equity business now comes from outside the UK.

The proportion has grown since the Big Bang deregulation, which over. brought a significant increase in foreign banks and securities houses in London. The prolonged weak-ness in the US dollar has also been a strong factor in bringing international investment money into Lon-

While details of foreign turnover trading sector.

The importance of overseas intering in UK gilts are harder to identify, there is no doubt that much of the Far Eastern investment drive into the UK has gone into British government bonds.

> cipation in the gilt-edged market range to around 15 per cent of turn-Despite the currency nervous-

Recent estimates of foreign parti-

ness seen early last month, gold shares gave back part of their recent gains.

The FT Gold Share index shed 8 points to 447.3 during April, reflecting erratic movements in a narrow

1.

MONTHLY TURNOVER: APRIL						
BRITISH FUNDS	Yakue Em	per cent of total	No. of bargains	per cent of total	Average bergain value gain value c'0003	Average no of daily bergains
Short dated (7 years or						
less to run)	27,938.6	22.1	32,204	23	1,396.9	1,610
Mediums (7-15 years)	25,273,3	20,0	27,665	2.4	1,263.7	1,383
Others (over 15 years)	41,222.1	32.5	35,291	3.0	2,061.1	1,765
Total	94,434.0	32.5 74.8	95,150	3.0 8.2	4,721,7	4,758
IRISH FUNDS Short deted (7 years or less						
to run)	580,5	0,4	1,330	0.1	29.0	68
Mediume (7–15 years)	310.3	0.2	640	0.1 -		- 32
Others (over 15 years)	835.5	0.7	715	0.1	41.8	36
UK Local Authority	9,6	0.1	511	0.1	0.5	26
Overseas Govt	2,128,9	1.7	4.505	. 03	106.4	225
Other Fixed interest	961.3	0.7	29,738	2.5	48.1	1,487
ORDINARY SHARES						
UK & Irish	19,843.6	15.7	917,547	79.1	992.2	45,877
Overseas	7,466.3	5.9	110,516	9.5	373.3	5,526
Total	27,309.9	21.6	1,028,063			
TOTAL	126,570,0	100.0		88.8	1,365.5	51,403
	120,270,0	100,0	1,160,662	100.0	6,328.5*	58,033*



Spain's largest and traditionally most underprivileged region, whose flamenco, bullfighting and tourism

have created the predominant image of Spain as a whole, Andalucia's quality of life has improved greatly since gaining political autonomy. However, David

White reports, the reality does not yet match its 21st century

aspirations as . . .

STRALA

# **California** of Europe

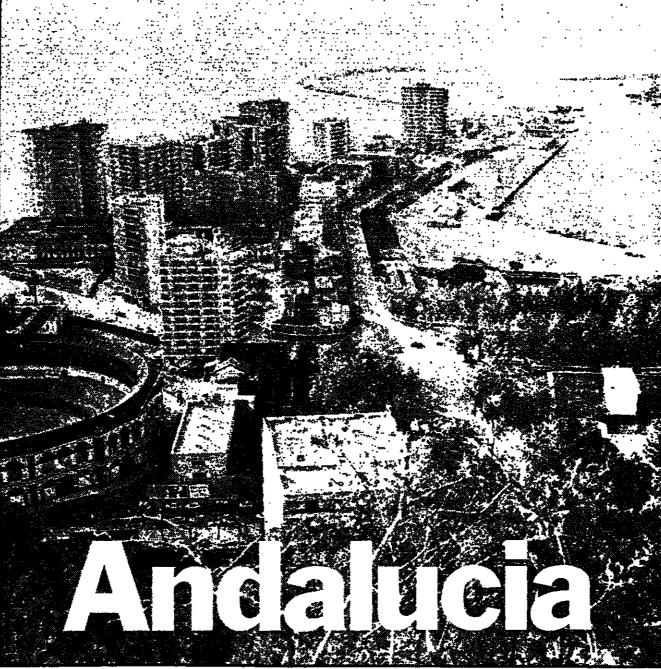
COULD Andalucia a privileged part of region. the world Certainly the Moors who were here for almost 800 real nu years thought so. Presumably several hundred thousand Brit-ish, German, Scandinavian and other foreign home-owners think so. Enough of the millions of holidaymakers who flood in each year must think so. And there are farmers who would not exchange their land here for

land anywhere else.
But for northern Spaniards
the first association they make
with Andalucia is as an underprivileged region. The con-spicuous wealth visible on the coast and in the Guadalquivir valley is only one side of it. Despite tourism, this largest of Spanish regions—bigger than Scotland—is still one of the poorest. For the 6.5m population there are another 2.5m who were born in Andalucia but live else produces strawberries in and work elsewhere, half of February?), or the Florida of them in the industrial belts of Catalonia. In the villages, growing leisure industry (where poverty is rarely obvious, but it is much more so in the outskirts of the main cities. The official going west from Malaga?). But if unemployment rate is over 30 there is a good US comparison,

consider per cent, more than any other

The figure may overstate the real number without work, but then it does not include a further 9 per cent or so who are part of the year. Nowadays these agricultural day-labourers can qualify for some state benefit. Otherwise, their situation has scarcely changed this century. Europe's only radical neasont movement still cal peasant movement still vents its anger from time to time—though less often than before—on cotton-picking machines in the way that threshing-machines were destroyed in England 150 years

It has become popular to talk of Andalucia either as the California or Europe, because of its farm-based potential (where



Friday May 15 1987

niaga, on the Costa del Soi, one of Andalucia's largest ports

of fellow Sevilian socialists, could thus be compared with Mr Jimmy Carter's arrival at the White House in 1976. Now that the main right-wing opposition party, Popular Alliance, has found its own young Andaluz lawyer, Mr Antonio Hernandez Mancha, to take over its leadership the corridors of power in ship, the corridors of power in Madrid echo with southern

South.

The coming-to-office of Mr
Felipe Gonzalez as Spanish
Prime Minister four and a half
years ago, with his small group
of fellow Sevillian socialists,
could thus be compared with Mr
Trai in the affairs of the nation.

The staging of a universal exhibition in Seville in five years' time for the 500th anniversary of Columbus's discoveries is aimed at helping to change that The event implies a ground thus be compared with Mr coveries is aimed at helping to change that. The event implies a much larger investment effort than Barcelona's Olympic Games the same year. The region's chief officials see it enabling Andalucia to become known in Europe."

On the surface, this might seem a strange concern. The region has, after all, been a target of tourism since the tourners and accounts for a Community has been that the

accents. But this does not mean romantic era, and accounts for a Community has been that the the region feels any more cenlarge part of the image most gap between central and

people have of Spain (flamenco, bullfighting, white villages). But that image, often caricatural (fiery-eyed cigarette girls clenching roses between their teeth), contains along with its

peripheral regions has tended to widen rather than to narrow, Andalucia has much in its favour. It can claim a large share of Community aid, includ-ing for training. It has few old industries vulnerable to com-petition, and has considerable growth potential, particularly in agribusiness. In agriculture its munity can provide or that other areas cannot provide at the

same time of year.

CONTENTS Land reform ...... Disquiet on all fronts Sherry ..... Looking to a rosy future E x p o ' 9 2 Columbus' discoveries celebrated EC entry ...... The farm sector does well industry ...... Held back by poor infrastructure Marbella...... 28 km of glorious coastline Tourism ...... Interior attractions exist too

structure, the absence of a business-minded bourgeoisie to keep up the momentum of early industrialisation) than with shortage of resources. It always had mineral and farming wealth, but it was usually outsiders who took advantage of them. The mines of Penarroya and Rio Tinto have given names to French and British com-panies. The sherry families are of predominantly British origin:

Investment programmes under the Franco regime brought large-scale industry, but this had only local impact, was mostly in sectors such as petrochemicals that then ran into crisis, and reinforced the resection of depending on design

sensation of depending on decisions made in Madrid.

Five years ago Andalucia joined the Basque country.

Catalonia and Galica as one of the regions to get a head start of devolution. It obtained its autonomy statute thanks partly to pressure from an emergent "Andalucista" party, which its founders claim to have been the only really novel political movement to surface in Spain in the early post-Franco years. This party, starting out quite far to the left but later moving towards the centre, had at one stage seven seats in the Madrid congress, but then collapsed as swiftly as it had risen.

The Region, which provided the first wave of the country-wide movement that swept the Socialists to power in 1982, can will be considered. still be considered the party's strongest fortress. But it is also one of the few parts of the coun-try where the Communists have

been recovering ground.

Municipal elections being held next month could bring one or two nasty surprises for the Socialists, who currently run seven of the nine main terms. Their mointing in Grant transcripts in Grant transcripts and the surprises for the socialists. towns. Their majority in Gra-nada and even in Seville-Mr Gonzalez's home town—is in

some danger. The 1992 exhibition is being strengths are not in Communitysurplus sectors but in products
that few other areas in the Community can provide or that other

are exaggerated, but it does have an important bearing both on the way the region sees itself Mr Jose Rodriguez de la Bor-bolla, the 40-year-old President Seville in Columbus' time was of the Junta (regional govern-one of the main cities of Europe,

ment) is confident that inside and became (albeit for a short the Community "we are better off than we were."

period) the centre of new world commerce. But not since Julius Andalucia's retarded development has more to do with historical and social causes (a feudal landholding facilities will be improvements to transport networks. The railto transport networks. The rail-ways, always one of Andalucia's principal handicaps, are being revamped under a Madrid government programme, a priority of which is a new route that will

cut the Madrid-Seville journey by half. The Andalucian cause was The Andalucian cause was cleverly taken over by the Socialists under Mr Rafael Escuredo, an attractive figure who had a brief career at the head of the Junta. His successor Mr Rodriguez de la Borbolla, nicknamed "Pepote," was confirmed in power in the region's second election last year.

An exception among Spain's socialist leaders in that he comes from a political family—his great-grandfather was a minister of grace and justice and mayor of Seville—Mr Rodriguez de la Rorballa sees the guez de la Borbolla sees the country evolving towards a fede-ral system on West German lines. Autonomy, he says, has gone a long way towards building a sense of unity between the region's eight provinces

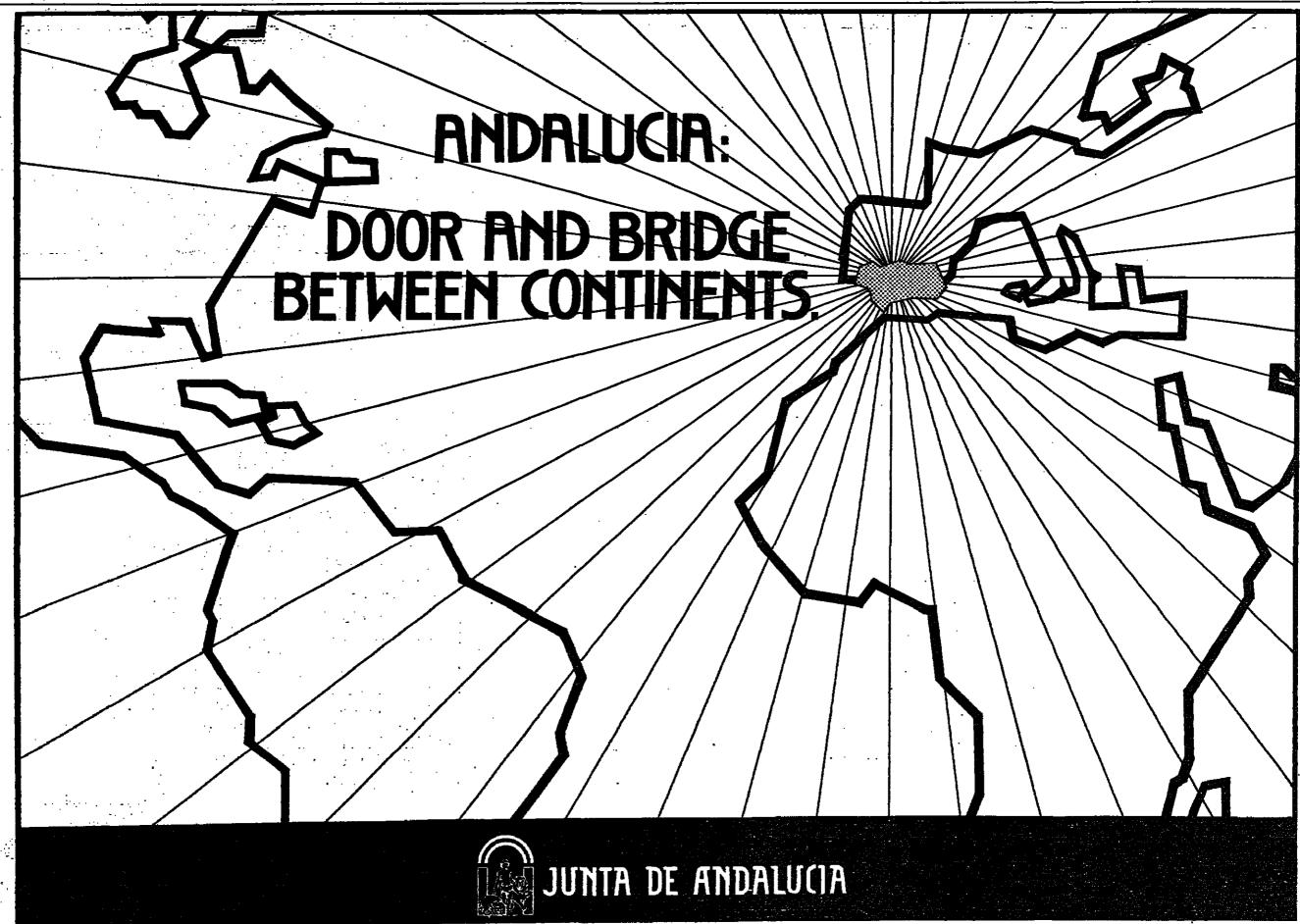
Since gaining autonomy, he says, considerable improvements have been seen in the ments have been seen in the quality of life in rural areas, in education, health, housing electrification and sewerage. The regional government is frequently criticised, however, for being unwieldy. One leading businessman says the bureaucracy is "the same as before, only slower."

"1992" has become a magic word On the hoardings around

word. On the hoardings around Seville, almost every advertise-ment tries to relate its product

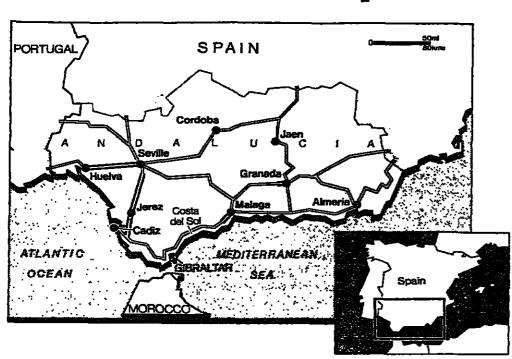
It will also be the 500th anniversary of the year the last Moorish territory, Granada, fell to Spanish rule. But the reconquest, with all its implications the mass religious represents the mass religious repression which led to the expulsion of unconverted Muslims and Jews), is not being celebrated. In recent years there has been a growing effort to recuperate the heritage of the civilisation that flourished before the reconquest. There is all the more reason, since a large part of subsequent history in the south has been a tale of lost opportu-

**David White** 



Socialist Government land reform laws have weakened rather than strengthened peasants' power, reports David White

# Land structure stays cause for complaint

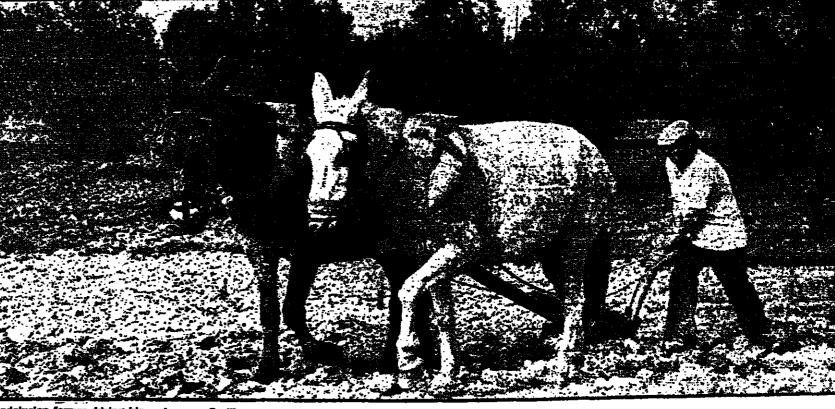


estates and townships which admixture of ecologist and pacifist policies. Its president is occupations and hunger strikes.

The route could start out southeast from Seville to Utrera and El Coronil, through Moron de la Frontera, where the US has a standby air base, up on to the first compulsory takeover orders made under a controversial 1984 agrarian reform law, and so far held up by endless and Estepa, off on the right to Gilena and Pedrera, and on the left to Marinaleda, on the olivegrowing borders of Seville and Cordoba provinces. A deceptively prosperous-looking village, with neat municipal flower beds and a playground along its less farm labourers receiving state support for at least part of the time they are not working. and El Coronil. through Moron de la Frontera, where the US has a standby air base, up on to the main Malaga road to Osuna and Estepa, off on the right to Gilena and Pedera, and on the oliveleft to Marinaleda, on the olivelegrowing borders of Seville and Cordoba provinces. A deceptively prosperous-looking village, with neat municipal flower beds and a playground along its Avenida de la Libertad, Marinaleda has won fame as one of the most politicised communities of southern Spain, led by its mayor, an austere bearded schoolteacher called Juan This is home ground for the marinaleda for the marinal more than a quarter of Andalucia. In Antequera 12 estates, with a combined area of 6,000 hectares (494 to End a quarter of Andalucia in the same as it was, with big estates of 200 hectares (494 to gestates of 200 hectares (494 to gestate of 200 hectares (494 t

IN THE same way that "wine rural workers' union (SOC), a redical organisation unique region's Socialist authorities to among the agricultural unions of modern Europe. Rooted in a tradition of southern anarchlower Guadalquivir river—a ism, it has kept up a campaign for land reform, with a recent admixture of ecologist and shape become notorious for parisits policies Its precident is precident is important to the political necessity for the region's Socialist authorities to make some gesture towards meeting long-standing demands for land reform. The 1984 law is one of the few changes under the Socialists in Spain that evokes the radical organisation unique region's Socialist authorities to make some gesture towards meeting long-standing demands for land reform.

ism of pre-civil war days. It was the first of its kind since a reform decreed in 1932 which would have affected 8,000 landowners and more than a quarter



as agriculture councillor of the to pay for improvements made Junta (Regional Government). in the interim.

Under the law, actual ownership is not called into question there might be legal problems, unless the land is "manifestly since the law came when regionabandoned." The aim instead is nal government was still in the to require the law came when regionabandoned. to recuperate badly-used land process of becoming estab-by temporarily taking over far-lished in Spain, and there was ming rights and handing them insufficient jurisprudence on over to co-operatives, under the matter. contract. The programme falls feries of appeals against the short of demands made by SOC law and the means of applying it and the Communist Workers' Commissions Union which has

also been militating strongly in the countryside. The unions complain that the areas ear-marked so far for are the worst farmland to be had. In Antequera 12 estates, with

Ownership is not called into question unless the land is "manifestlyabandoned." The aim is

But it is clear that for the Junta the purpose the law as evers is more to wield the the tot of punishment than to the carry it out. According to Mrew Manaute, it has already proper owned many proprietors to invest in their farnar, switching to more intensive crops, increasing fruit and vegetable production, in some cases planting production, in some cases planting production, in some cases planting to more intensive crops, increasing fruit and vegetable production, in some cases planting to more intensive crops, increasing fruit and vegetable production, in some cases planting as many jobs as possible.

"We have to find a kind of land use that combiles the most up-to-date technology and generating as many jobs as possible.

The big farmers' organisations object that this policy is pushing them towards' production for productions in the sector.

They are continuing to fight the reform programme all the way down the line. But despite the way down the line. But despite the bitter battle in the courts, the issue has been kept separate the bitter battle in the courts, the issue has been kept separate from their other dealings with the Administration. Me Manaute describes relations as "reasonably friendly."

The SOC and Workers' Commanders, his described the special count on the equivalent of the pressure on behalf of landless peasants. The areasonably friendly."

The SOC and Workers' Commanders, his described the pressure on behalf of landless peasants. The areasonably friendly."

The SOC and Workers' Commanders, his described the succession of the Jornaleson of the Jornale

# deliver

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Further from Computers and Communications Fujitsu España. 5 a.

# **ANDALUCIA 3**

The sherry industry has emerged from some years of self-doubt, apparent loss of direction, and unwelcome publicity, satisfied the future is now rosy.

IF THE administrative map of Andalogia were to be re-drawn there would be a strong case for carving out a new autonomous carving out a new anumonous community called Sherry, much like that of Rioja in the north, which would have the town of Jerez as its undisputed capital. Although juridically part of Cadiz the land of the amontilladis and the alorsess is a self-

dos and the olorosos is a selfsufficient island where families sufficient island where island with foreign sounding names such as Domecq, Terry and Sandeman rule the roost and where every waking moment is devoted to the greater glory of, as well as the continual drinking of the least product. ing of, the local product.

The Jerezones instinctively feel they are a separate, closely-

feel they are a separate, closelyknit community. Twenty years
back, despite their proximity to
Seville, they built themselves
their own airport.
They pay fanatical homage to
their own builfighters and
flamenco stars they consider
their own horses and bulls
second to none, and when they
take a vacation they move just a
little bit out of town to the
Puerto de Santa Maria or to San-Puerto de Santa Maria or to San-lucar for the Jerezanos world starts and ends within sight of

starts and ends within sight of his beloved vines.

After some years of self-doubt, of apparent loss of direc-tion, of unwelcome publicity and of tensions, the bodegas are once more self-satisfied, even smug, confident that the future is rosy for the unique mone is rosy for the unique mono-culture of Jerez

Issues such as that of British sherry are mere minor irritants compared with past problems that included a production glut, declining markets, a bout of mergers and acquisitions, with multinationals in the forefront; and, worst of all, the debilitating expropriation of the Rumasa industrial holding, founded by local man Jose Maria Ruiz Mateos, which had

bodegas as its cornerstone.

The so-called "Plan Jerez" has succeeded in reducing the 1979 peak of 22,000 hectares devoted to sherry to a manageable level of 18,000 in 1986. Trade insiders say that the present level permits the sherry firms to build up stocks and to

develop potential markets.

Talk of opening up untapped markets is in itself new language. The sherry exporters had concentrated on fighting a rearguard action to maintain their traditional harding in Ed. their traditional bastion in Bri-tain. Now they look to Japan and, somewhat illogically, they claim that a people that has taken to drinking coffee should rapidly embrace sherry.

Britain, which imported 60 million bottles of sherry last

# Jerezanos confident again



ega Querrero (the home of Dry Sack sherry).

year, is, together with Holland, the prime mature market for the trade. Exports to Britain have slid down from a 70m bottle high in 1978 but the sherry exporters believe that the decline has levelled out. British sherry ("it is neither British, nor sherry") suoris one Jerezano, has done its worst to undermine the genuine

Holland, where there is no British sherry competition, imported 45m bottles last year. It is the most stable of all Jerez's markets with the highest per

product and the trade believes

that the damage can now be

markets with the nighest per capita consumption of sherry in the world.

West Germany, the most rapidly growing of all Jerez's markets, could, however, overtake both Britain and Holland within the next decode Over take both Britain and Holland within the next decade. Over the past 12 years sherry consumption in West Germany has increased fourfold. Exports in 1986 to West Germany totalled 30m bottles. By the mid 1990s, the figure may be 60m.

Aside from the Japanese ambitions the current bullishness of the sherry exporters is

ness of the sherry exporters is best illustrated by the determination to break into France and Italy. The two countries respectively imported last year 500,000 and 700,000 bottles—a total that the Jerez trade considers to be disgraceful.

The marketing strategy for the Italian and particularly for the French markets aims at pushing sherry not as an aperitif but as a wine to be drunk at meal times. Fino should be on the table to accompany fried fish and shell fish, oloroso seco and amontillado should be drunk with game, and creams and browns should be served with desserts. Such sanguine views on the future reflect the security to the sherry trade that has come with multinational penetration of the bodegas. Grand Metropolitan, Allied Lyons, Seagrams and Hìram Walker lie behind the recognisable brand-name fami-lies of Terry, Domecq, Sandeman and the rest.
Ownership of sherry is now on

a secure footing, in contrast to the volatile situation 20 years ago when Mr Ruiz Mateos began his ill-fated climb to the top. A measure of the new won confidence is that rumours that Mr Ruiz Mateos is starting again at the beginning, and buying up small bodegas, are treated with good humour by the trade. "Why shouldn't Ruiz Mateos have his winery," says one exporter, "he's a Jerezano after

Seville's Expo 92 to celebrate discovery of America

# Columbus quincentennial promises richer legacy

tilla of Caterpillar trucks and cranes will start work along the right banks of the Guadalquivir river as it flows through Seville.
This will be the first visible evidence of a project which

could have as great an effect on the administrative capital of the administrative capital of Andalucia as did the arrival of the first gold-laden galleons from the New World.

If present planning holds good it will take visitors 10 days and 45 miles worth of walking to

and 45 miles worth of walking to and 45 miles worth of walking to get round the Seville Universal Expo which will commemorate the quincentenial of the 1492 discovery of America by Christ-

discovery of America by Christopher Columbus.

Business should make a note
too. Total expenditure for the
exhibition itself, which Spaniards have come to know simply as Expo 92, stands according per cent will be non-Spanish.
to the current book-keeping at
\$550m of which \$209m is earmarked for construction and
installation. The budget for
operating costs stands at \$220m.
Graced with the thematic title
of "The Age of Discovery", the
Seville happening in five years
time will be the first universal
exhibition held in Europe since
that of Brussels in 1958 and the
first anywhere in the world
since the 1970 Osaka edition.

The directors of Expo 92
quickly point out that the beautified. At a cost of \$140m
Vancouver Exhibition last year,
which was three times smaller moved away from its present

country, will have its own mega pavilion and a further 17, one the Brussels Exhibition and two thirds that of Osaka

Vancouver Exhibition last year, the main railroad station will be which was three times smaller moved away from its present than the one planned for site in the banks of the Guadal-Seville, and the Brisbane one quivir, and the railway line riport was a which will be fire quivir, and the railway line riport was a which will be fire quivir. next year, which will be five ped up, to allow the city times smaller, are what the increased access to the river. Paris-based Bureau Inter-The Guadalquivir itself will national de Expositions terms flow once again along its old specialised exhibitions and bed as flooding problems which there in a different, lesser in the 1950s caused a hydraulic category than the likes of Brus-sels, Osaka and Seville. by-pass to be built have now been overcome.

The Seville exhibition will bring together, on present estimates, between 60-65 participating countries, each with its own Guadalquiyir. This double ing countries, each with its own Guadalquivir. This double pavilion, some 10-12 international organizations and a water front is conceived as further 15 odd multinational quincentenial celebrations. The corporations. Spain, as host centre piece of the exhibition will be, again very suitably, the pavilion and a further 17, one for each of the state's autonomous communities. Well briefed in comparative statistics, the organisers say that Expo 92 will be the same size as Expo 92's Royal Paville Park Expo 92's Roya serve as Expo 92's Royal Pavilion and VIP reception area, is being restored at a cost of \$8m.

particularly benefit from vastly improved communications. Included in the Expo 92 package are a major remodelling of Seville airport which will allow it to handle up to 4m passengers a year, five times the present amount, a new highway linking Madrid and Seville and a new railway track routing which will cut the rail time between the two cities by 50 per cent to a little over three hours.

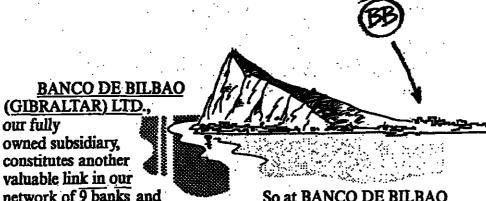
The regional transport infrastructure will receive a badly needed revamping. An international bridge will by 1989 link Huelva's Costa de la Luz with Portugal's Algarve across the Guadiana river. A new highway will connect Seville, via Gra-nada, to the Mediterranean motorway which in turn links up with the European freeway system and a second new highway will cut road travel time between Seville and Malaga to under two hours.

All told the infrastructure package will require an outlay of \$4bn on present estimates. Some 200,000 jobs will be created over the next five years either directly or indirectly linked to Expo 92.

The actual legacy value of the Expo 92 site construction is estimated, in terms of value, at around \$160m. Officials say that a permanent High Tech park will be the real legacy together with the transport development, a hugely improved leisure and tourism industry, a network of ioint capital ventures and a considerable inflow of foreign capital—Columbus, 500 years ago, had also promised, and deli-

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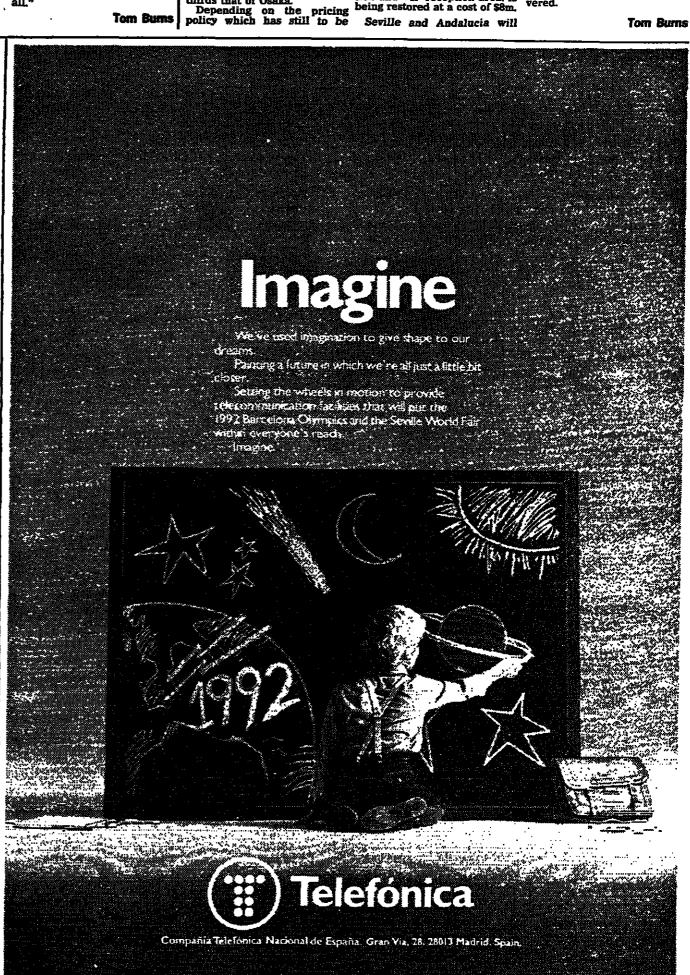


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Gear

As demand for out-of-season fruit and vegetables grows, says David White

# EC entry boosts farm export boom

Farm sector production 1982 1983 1984 \*1985 †1986 Vegetables 73.2 104.2 116.1 112.3 Olive oil and related products 35.4 87.2 39.7 96.7 71.7 52.8 26.0 81.7 81.4 83.2 69.5 84.8 Industrial crops 46.5 44.9 65.7 Fruit (including citrus) -7.8 30.0 33.1 37.1 43.3 Wine and related products 15.2 13.8 12.5 15.5 15.3 Meat and livestock 43.4 41.7 52.7 61.2 67.9 15.8 16.2 19.8 26.8 27.2 8.0 9.0 9.3 10.5 8.6 Forestry products 6.8 9.6 12.2 13.1 52.1 71.7 81.3 70.8 48.5 Miscellaneous 368.8 402.3 501.3 608.3 598.2

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Andalucia's

future

SEVILLA EXPO '92

POLIGONO "EL TROCADERO"-11510 PUERTO REAL-CADIZ (ESPAÑA)

AS THE road climbs down from the remote and backward Alpujarras region, the view over the town of El Ejido seems like a mirage. The impression of floods covering the plain out to be just sunlight reflecting on sheets of plastic, miles and miles of plastic, miles and miles of plastic.

This treeless area, a bulge on Spain's south eastern coast, within sight of the snowcaps of the Sierra Nevada, used to be sheeting stretched on poles, ture land. It is now the country's preventing evaporation and keeping ground temperatures

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eeping ground temperatures

keeping ground temperatures up.

Sheltered from northerly winds, and enjoying 3,000 hours of sunshine a year, this new farming phenomenon has become known as the "Almeria miracle." Together with recent tourist development, the forcinghouses have lifted this arid, back-of-beyond province up from the bottom of the national wealth table. Further along the southern coast other bonanza southern coast other bonauza zones have sprung up-most recently on the Atlantic coast of

recently on the Atlantic coast of Huelva.

From this part of Almeria alone an average of about 90 trucks a day leave for EEC export markets. But perhaps the most striking aspect is that from the end of July to the end of September, when most European farmers are hard at work, Almeria takes a holiday.

Here everything is seared to

Here everything is geared to producing out of season: tomatoes from December to March, cucumbers and peppers from October to January, melons and watermelons from April to

June.
This new side to the agriculture of Andalucia—a region where traditional dryland products (olives, cereals, wine) still carry a lot of weight—stretches in an almost continuous strip as far as Malaga, nowhere more than about seven miles wide. In the south of Granada and Malaga provinces, the tomatoes and cucumbers give way to sub-tropical fruit: avocado pears, mediars, pawpaws, guavas, custard-apples. Other varieties such as mangoes are being grown on an experimental

Further west in Huelva, 2.000 hectares are given over to straw-berries. Growth in this sector has been both spectacular and speculative, with farmers imitating each other to cash in on the boom, apparently oblivious to the question of how much the market can absorb, but so far riding high.

Almeria, by contrast, already



A fine crop of peppers (cepsicums) grown under polythene along the Mediterranean coast between Almeria and Motrit.

panies. The sector is expected to continue to be based on smalholdings, grouped together in marketing and supply co-

The auxiliary business that

has 10 years' experience of tack-ling the market seriously. Jero-nimo Molina, manager of Almer-ia's export organisation Coex-forcing Banesto to come to the phal, says that exports, which account for about 30 per cent of production, have pulled up the rest of the sector in terms of their marketing approach and quality. Direct contact with EEC markets has created "a new mentality." he says.

Comparing standards to those, for instance, of the avocados now being grown in the south of Granada, he admits: "In the first years, quality was as bad

Physically cut off from west-ern Andalucia, Almeria can be seen more as an extension of the Levante region. The Valencians have a strong trading tradition, and in Almeria they have learnt by emulation. Last year, accor-ding to Coexphal, the province exported 244,000 tonnes of farm produce and this year's exports are expected to reach 300,000 tonnes.

has grown up in farm supplies-plastic, irrigation equipment seeds and so forth—is expected Since it is already geared to selling in the EEC, the sector is little affected by Spain's entry into the Community from last sects and so form—is expected to spawn a new small-industrial sector. According to regional industry experts, farmers themselves have shown considerable year, which in any case includes interest in veniures of this kind.

Mr Molina at the export
organisation believes Almeria
has to do all it can to develop its a 10-year transition period for fruit and vegetables.

Where is the limit to expanlimit is," says Mr Molina. Some consolidate the sector. areas have run into water prob-lems, suffering from excess salinity as a result of sea-water seepage. But, he says, the prob-lem is "not generalised" and more water resources can be

The development of new areas, however, has been held areas, however, has been held back after a run of drought years up to 1984. Emphasis is being placed instead on increasing productivity and improving techniques. Some hope has been placed on the use of solar energy for heating sys-tems, although with little result so far.

In a province where agricul-ture still provides 40 per cent of jobs, the plastic revolution has played a big role in absorbing labour. The farms, typically very small (one or 1½ hectares), are mostly (amily-run) are mostly family-run. The most conspicuous, and notorious, exception is the

Quash concern, whose headquarters, resembling an airport control tower, stands up above the plain near El Ejido. It has had, to say the least, a chequered history.

It started out as a real estate project, Tierras de Almeria, aimed at selling plots of hothouse farm land to returning emigres—a sort of agricultural equivalent of the holiday-home "urbanisations" that dot Spain's Mediterranean coastline. When this failed, its promoters tried to launch it on bigcompany lines with a computer-controlled operation. controlled operation.

The Pharaonic project was backed by Banco Garriga Nogues, a small Barcelona bank

rescue and absorb it. Planned to extend to 2,000 hectares (700 hectares of which are now actually in operation), the produce project ran into financial difficulties. Stakes were sold two years ago to Arab and other shareholders but the deals were subsequently annulled. Banesto, now in charge, was left having to sort out accumu-lated losses of Ptn17.6bn (£85m). Experts say that because of the type of work involved, the hot-house business is difficult and potentially expensive to run with outside labour, and therefore tricky for big com-

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# MEETING POINT

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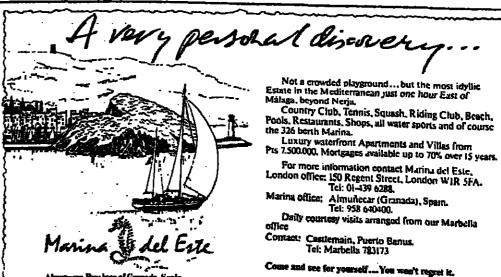
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# **ANDALUCIA 5**

# Infrastructure problems inhibit growth

THE COSTA DEL SOL: Spain's south Wales? No, but it could almost have been It is a curious fact for today's beachgoers to ruminate on that the first blastfurnaces in Spain were built in the 1830s, at Marbella

\*\*\* 15 lb

The steelmills thrived as long as northern Spain was caught up in the Carlist wars. Then the industry declined. In textiles, Andalucia went through a similar story of industrialisation, then de-industrialisation.

The region's industrial deficiencies today are patent. Take Seville marmalade. Andalucia has all the ingredients, including the sought-after bitter

including the sought-after bitter oranges, but Spain imports marmalade from the UK. The region produces most of Spain's olive oil, but some of the best virginoil is sent in bulk to Italy to be bottled and exported as up-market Italian oil.

Although it has a wide range of manufacturing activities from petrockemicals to aircraft assembly. And alucia has little ndustrial clout. It has the rare listinction of having a university housed in a factory building (Seville's magnificent 18th century tobacco factory), 18th century tobacco factory), but lacks the strong entrepreneurial class that made the wealth of the Basque country of Catalonia and provided bs for Andalucian emigres in

those regions. Only about 15 per cent of jobs in the region are in manufactur-ing, against some 25 per cent in agriculture—the reverse of the situation in Spain as a whole. Andalucia has been largely spared the pain of the industrial "reconversion" programme undertaken in Spain since 1983, since it had little overmanned

industry to convert. Trouble has only really come in the last year, over lay-offs at the partly British-owned Rio and violently, over an uncertain future for shipbuilding jobs at

Puerto Real near Cadiz, a giant regional economy. The big-pro-yard which Spain completed ject philosophy has been just as the 1873 oil crisis strack. replaced by emphasis on Anda-Under the Franco regime in lucia's considerable own the 1960s, a big effort was made resources. For all its dependence on particularly. Husbra and the portuniture there is

0

Economic activity ctors as a percentage of total 11.0 5.7 Agricultura Fishing 1.5 8.0 Mining and oil 0.9 1.6 16 Water, gas, electricity 0.7 1.8 2.2 Manufacturing 14.8 23.8 16.3 23.6 Building 9.6 8.4 8.1 6.6 49 8.2 6.8 5.5 12.7 12.3 12.3 12.5 Banking and Insurance 23 3.9 2.9 5.3 Civil service and defence 5.7 5.0 8.7 6.6 8.9 8.0 7.7 Hotels etc. 5.7 5.1 5.6 5.0



8.9

9.5

**15.1** 15.9

little to do with the rest of the

Other

particularly Huelva and the Algeciras area facing Gibraltar. Hourshing agriculture, there is no Algeciras area facing Gibraltar. Hourshing agriculture-derived and refining complexes, in the judgment of Mr now being fused into a more Julio Moreno. Secretary-Genemuscle-bound promotion body, ral of Andalucia's Industrial has concentrated on schemes Promotion Institute (IPIA), such as the processing of farm "were not had for Huelva, but did not bring much benefit fruit of the Malaga and Granada cia five years ago led to important changes in the channelling

the partly British-owned Rio The tendency today to dismiss marble from the Sierra de los Tinto copper mines in Huelva these initiatives is perhaps Filabres in the wilds of province and, more recently unfair, but the plants were iso-Almeria, and cork from Cadiz, and violently, over an uncertain lated developments that had Huelva and Seville. Since these are almost all small projects, the policy is to integrate as much as possible, for instance

by promoting joint marketing efforts by food producers. This means both creating new sectors (such as farm equipmen

of finance. The Junta (regional hours-plus drive from Seville to government) has been able to Almeria.

The other main handicap is

tions operating in the region to lack of business tradition. "We provide special credit lines to have a few good entrepreneurs small and medium-sized combut not many," admits Mr Otero panies, a category into which Luna. Salaried careers in the 99.8 per cent of companies fit. Autonomy has also brought a tions have always tended to be certain amount of conflict and better viewed. "Our own sons confusion beween different don't want to be entrep-bodies. An "economic reconver- reneurs."

sion" body, SOPREA, became in practice a financial promoter, taking part as a partner in new in the leisure and property sector, Japanese companies, more and guarantees. However, INI, than EEC companies, more and guarantees. However, INI, than EEC companies, more the Spanish state industrial holding group created by Franco, Already with a share in the leisure and prominent.

"Whenever there has been an investment programme it has always stumbled on the problem of infrastructure," says Mr. Manuetera Luna, a genial hotelier who heads the Andalucian Employers' Confedentian lier who heads the Andalucian Employers' Confederation (CEA). He cites as the most recent example an ambitious Rotterdam-of-the-south project for Algeciras—a fine natural cles, however, both businessport, but no good land links to men and officials see some analysis of the confederation of the company of

port, out no good land links to anywhere.

The transport problem is now beginning to be seriously tackled, with the region taking a large chunk of a massive Pta 2,100bn (£10bn) national railway plan and with new road projects including a transversal route which will reduce the seven men and officials see some encouraging signs of a new spirit. Mr Moreno points out that the region has only had its own promotion organisation since 1983.

"We did not start at zero, but at minus 10," he says. "Now we are above zero."

ding group created by Franco, already with a share in the already had a regional development unit in Andalucia, SODIAN. In addition there was the new industrial promotion unit IPIA, which was given the role of identifying and studying potential projects.

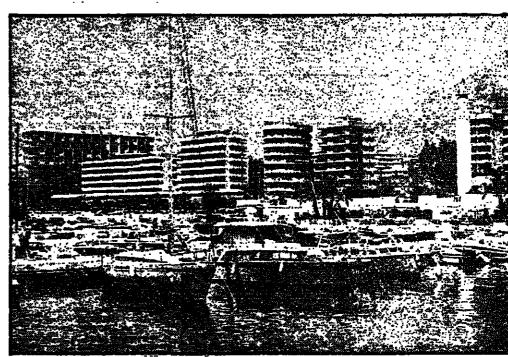
In an effort to create a more rational framework, especially for the channelling of EEC ture set up last year.

In an effort to create a more rational framework, especially for the channelling of EEC ture set up last year.

Fujitsu's electronic interest in Malaga, through a new majority-controlled joint computer ventures set up last year.

Fujitsu's commitment, which includes a research and development centre, provides a basis for an ambitious "technology park" project in Malaga due to start up in 1992.

The idea is for a kind of industry that not only spares the environment for tourism but in which the region can use its sun-belt life style as an attraction for



# Marbella

# Paradise for 'La Jet'

But there are other perspectives to Marbella. No where else in Spain are more people employed and no where else are the young and the aged better cared for. Again, the whole issue of Andalucia developing into the California of Europe is for laundering criminal assets.

Cavar as a face moisturiser and arms dealer Adnah Khassoggi is the high point of the social calendar.

Mr Jose Luis Rodriguez, the mayor of Marbella, says he has ingly obvious. Every so often the cared for. Again, the whole crook's corner and as a centre into the California of Europe is for laundering criminal assets. Socialist party and he says he is of Mediterranean coastline.

DEPENDING ON who you talk to, what you read and where you go, Marbella is the genuine article of the place is certainly a sleek sports cars and sleeker yachts.

Solve the place is certainly a sleek sports cars and sleeker yachts.

Unwelcome publicity is argu-

ques and marinas thrown in, to monitors fads such as using best las. The birthday bash given by lure wealthy innocents abroad caviar as a face moisturiser and arms dealer Adnan Khassoggi is

now where more relevant than In periodic drug busts, police along Marbella's 28 kilometres round up Spaniards and foreigners alike and impound

go, maroeila is the genuine article or a passable, sometimes intitating, fake.

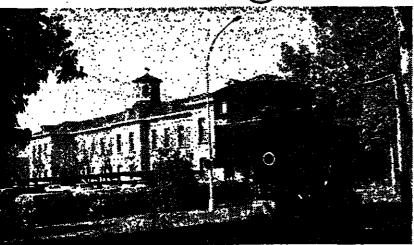
Marbella can be viewed as the showpiece resort on the Costa del Sol or as just another very sunny place for pretty shady people with a lot of paddle tennis courts, golf courses, boutiques and marinas thrown in to monitors fads such as using best.

Unwelcome publicity is argu-likelihood that a GB registred to the distribution of the distribution of the distribution of the Marbella comings and goings, what the Spanish pulp weeklies simply to September a cast of showbiz people and aristocrats attends a succession of osteniatious hoop-monitors fads such as using best.

'not the mayor of La Jet".
There is, however, "absolute
Continued on Page 6



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# MARBELLA, A WAY OF LIFE ★

\* The finest climate in Europe, a luxury surrounding and a booming property market has made of Marbella a success story.

\* An attractive resort for investment and/or living. It offers all kinds of banking facilities by both Spanish and foreign institutions. \* International tax advisers, auditors and investment consultants assist potential buyers and investors, giving Marbella a name in the international business community.

\* Proximity to Gibraltar, another advantage to foreign residents for investment and

off-shore tax conditions. \* Rapid growth and infrastructure well under official control and supervision to achieve a balance between modern facilities and typical character.

† 1992 World Expo in Seville, another special attraction which will benefit the Coast in communications, hotel construction and infrastructure.

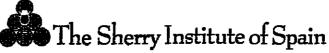
† 17 Golf courses, tennis facilities, fitness centers, lawn-bowls, paddle-tennis and wind sources of singular well find that the Markella way of life is made for them.

wind-surf aficionados will find that the Marbella way of life is made for them.

\* Yachtsmen and boat lovers will find their Mecca in Puerto Banús, soon to be enlarged to make room for Cruise Liners; with a typical architecture, attractive boutiques and plenty of international restaurants. No wonder more and more foreigners are opting for the Marbella way of life.

Marbella Tourist Office Avda. Miguel Cano, 1 Phone: 774693/771442 Telex: 77323 29600 Marbella (Spain)

From the Jerez region of Spain, the only source of genuine Sherry.



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# Paradise for La Jet



Continued from Page 5

mutual respect" between Mr cent of that straight away in building licences and Marbella has, as a result, become an oasis Rodriguez, who keeps the works of Oxford historian Raymond Carr by his bedside, and the likes of Gunilla Von Bismark, rammes. Marbella's chief party raver and a great granddaughter of the but not so text books, school German guns and butter Chan-meals and the school bus—excellor, who fills voluminous cept in Marbella. Mr Rodri-

Marbellas.

Highly profiled champagne capers at the local Regine's and elsewhere in the resort helps attract investment that, in construction alone, totalled Pta 49bn between 1983-86. Mr Rodriguez's council takes 2 per ter than that of an average Spanish town with a population of 85,000.

Mr Rodriguez spends a lot of money keeping the beaches clean but he has also pioneered independent service apartments for the elderly. Four such Tom Burns

School tuition is free in Spain German guns and butter Chancellor, who fills voluminous scrapbooks with cutting about herself and her friends.

"I respect them in their world and they respect me in mine. We're each where we are," says Mr Rodriguez. It is a tolerant arrangement that works entirely to the advantage of the two Marbellas.

Highly profiled champagne meals and the school bus—except in Marbella. Mr Rodriguez council spends Pta 150m a year subsidising these extras and, over the past four years, it has nearly doubled school places to the present 12,000.

The council's high society-inflated annual budget of Pta 4.2bn is nearly four times greater than that of an average Span—ish town with a population of

and a qualified staff, have been built in the past two years and two more are planned. Else-where in Spain old people's homes are the norm.

There is no reason to suppose that the investment boom, and the accompanying welfare, will end. On the contrary, confidence in the future can be

breathtaking. Puerto Banus, the trend-setting marina on the municipality's southern limits, is a case in point. People are moving out of the bijou Andalucian pueblo-style apartments because it has become too noisy and beauth become too noisy and because real estate companis, who are

real estate companis, who are moving in to open up offices, are offering good prices.

The marina can at present dock only one 150 metre plus yacht and Mr Khassoggi's "Nabila" occupies the mooring for much of the year. It is reckoned that there are 200 super yachts worldwide and Puerto Banus is embarking on an ambitious ex-pansion in order to provide space for 40 of them at any one

time.

Two more de luxe hotels are
to be built shortly to add to the
five top-notch establishments
that Marbella boasts at present and a further two to three golf courses are planned. There are already seven 18-hole courses in

already seven 10-note courses in Marbella, several of them designed by Robert Trent Jones.
Just outside the town's southern limits Dominion International PLC is completing a first 60-unit phase of a major

first 60-unit phase of a major secondary-cum-permanent home development. Apartments, which sell complete with a jacuzzi on the terrace and a "panic button" by the bedside, are going for around a quarter of a million pounds.

Dominion Beach is on a par with other top people's estates built

other top people's estates, built around golf greens and pleasure harbours, that soak up Marbella's enviable micro-climate. Their occupants can write home about neighbours that range from Deborah Kerr and Sean Connery to the Duchess of Alba and King Fahd of Saudi Ara-bia—although in truth the king has not visited his villa, which is a not-so-mini replica of the White House, for the past three

If, however, the California image is to come properly into focus Marbella has to offer more than just exquisite leisure living and avocardo farms, of which there are more and more filling and the complete the comp filling up the gaps between the

Development of the tourist industry has been lopsided, Tom Burns reports



#### Tourism

# Visitors cling to the coast

ANDALUCIA SUFFERS from all the tourism imbalances that afflict other Spenish regions. It is a seasonal industry, it is too is a seasonal industry, it is too dependent on the charter flight, clients at the lower end of the market and it is weighted towards the coastline.

Such problems can appear aggravated in Andalucia. A city like Seville cannot house all those who want to visit it during the week

Holy Week and during the week long high fiesta jinks of its April feria. But hoteliers have to fight for business the rest of the year.
Torremolinos is a resort that
has for years battled with the
fine profit margins of the tour operator sector. In the 1960s it opted for mass, cheap tourism and it is inexorably stuck with it. Off-season it is forced to slash

its prices.
Visitors cling to the coast and the premier Andalucian cities, Cordoba, Granada and, of course, Seville, receive only day-trippers. Scenic, architectu-ral towns such as Osuna and Ecija, two of a number that are steeped in history, are rarely visited at all.

Andalucian imbalances is the lopsided development of its coast Tourism is concentrated coast. Tourism is concentrated on the Mediterranean Costa del Sol or more exactly on a particular stretch of the Malaga coastline. Elsewhere development is still in its infancy or, as in areas of Huelva's Costa de la Luz, almost non-existent.

It is in this specific area that most is being done to establish an equilibrium. Keynote pro-jects are on line on the Cadiz, Atlantic coastline and development is spreading slowly but surely, north of Malaga and into

surely, north of Malaga and into the Granada coast.

The seasonal problems of the tourist sector hinge on the development of the secondary homes and retirement market as much as on the year-round use of the resort facilities. Offi-cials in the Junta de Andalucia have since the beginning of the decade been using buzz terms such as the Florida/Miami of

20,000 plus population is nonSpanish illustrates the manner in which the sun-belt syndrome can be successfully realised. Mijas has a well-established British, Scandinavian and German resident population and yet retains the white-washed, picture postcard, Pueblo atmosphere that first attracted the northern European immigrants.

The more obvious purpose-

The more obvious purpose-built Florida/Miami develop-

and similar high rise packagedeveloped. Junta officials tour resorts are battling with expect that the up market facilitourist meccas such as ties of Portugal's Algarve coast Benidorm on Alicante's Costa will spill over to Huelva once Blanca to June senior citizens the bridge is operational in two for winter sojourns in the sun. Internal tourism in Andalucia

ctu- Europe with the same intense looks to the ambitious plans of convictions that they speak of are the California of Europe.

A village such as Mijas, just back from the Costa del Sol, of where more than half of its infrastructure that has been functioning near the estauary of

gal across the Guadiana river estuary. The bridge will end the ments are on the Costa del Sol present dependence on a ferry itself, built around marinas and golf courses, with a health club in each block and foreign periodicals crowding out the Spanish publications on the news stands.

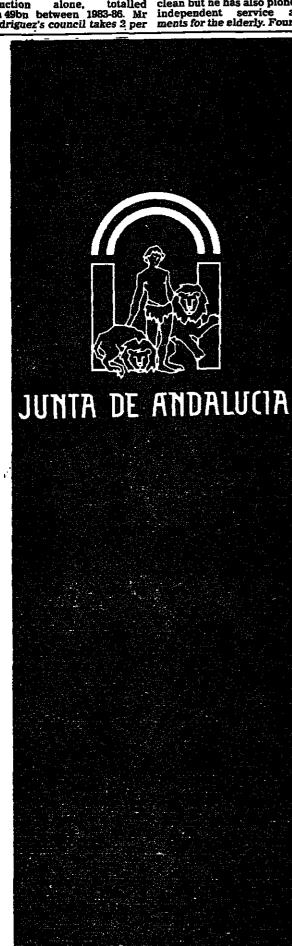
Torremolinos, Benalmadena is deviced in that it is the Portuguese side of the border which is more absolute of the standard forms.

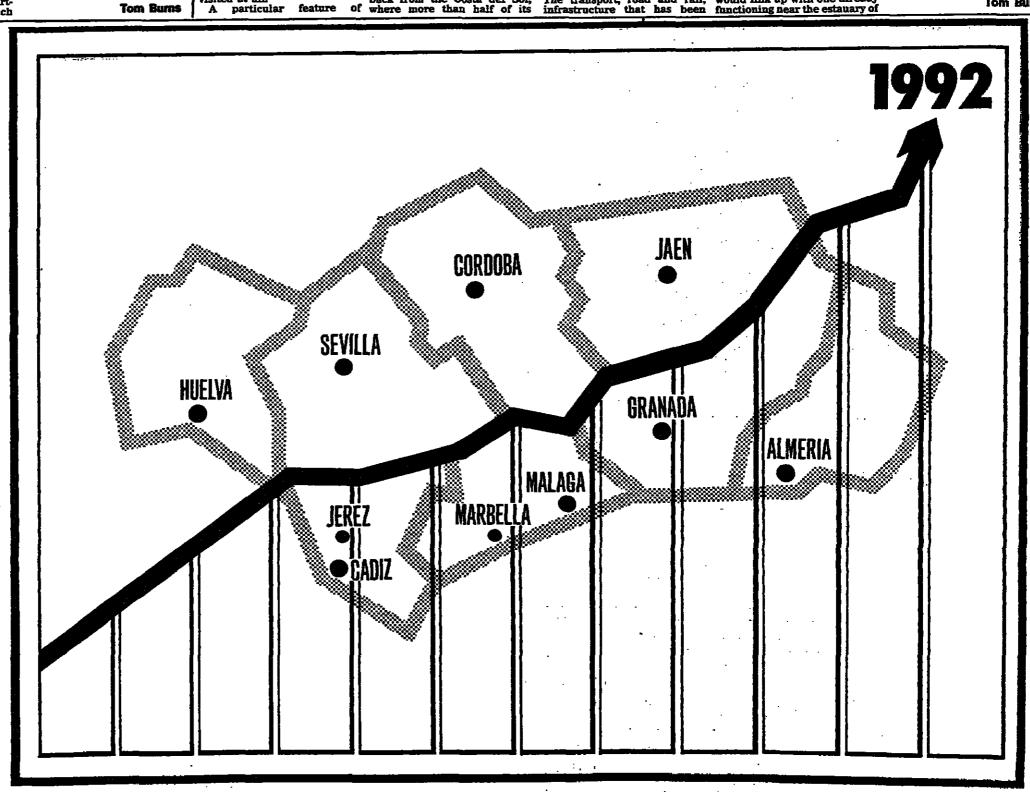
years time. Plans have, in particular, long

the Guadalquivir river, Puerto Sherry in the bay of Cadiz. With Plas 3bn of real estate already built, 200 yachts already moored in its marina and the social centre due to be inaugurated in time for this summer's season, Puerto Sherry has taken

Promoters of the resort label it an integrated concept with total facilities for sport and relaxation built around a marine village. In a second stage development 600 apart-ments will be built alongside the present complex of a sports harbour, a dry dock, a conven-tion and social centre and a total of 340 studios. When the project is finished at the end of 1988 there will be berths for 800 yachts of between 10 and 50

metres. Backed by Saudi money channelled through Madrid's Aresbank, Puerto Sherry has attracted both SODIAN and SOPREA, the two Andalucian development agencies as minor shareholders.





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